PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 531 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2012

COMPRISING PERIOD
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11 July 2011

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIETY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 531**

TWENTY-SECOND VOLUME OF SESSION 2010-2012

House of Commons

Monday 11 July 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION

The Secretary of State was asked—

Careers Service

1. **Fiona O'Donnell** (East Lothian) (Lab): When he plans to issue his transition plan for the careers service. [64597]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The Minister for Further Education, Skills and Lifelong Learning—who is here with us in spirit, if not in body today—committed during an Education Bill debate to hold a summit for interested parties to focus on issues of transition to the new arrangements for young people's careers guidance. That summit is to take place this Friday. Following the event, we will set out key milestones for the transition period up to September 2012 to support local authorities' transition planning. We will also look to share examples of the models being developed at the local level, and the material will be made available on the Local Government Association's communities of practice website.

Fiona O'Donnell: We know that this Government are fond of pauses, but it is eight months since the Minister announced the end of Connexions and the start of the new all-age career service. In the meantime, parents and practitioners have been left with no help to support young people in assessing their options or planning for their futures, so will Casper the Ghost Minister take this opportunity to provide detailed guidance, eight months after it was promised, on how the transitional arrangements and the new service will work?

Tim Loughton: I am impressed by the hon. Lady's affection for Connexions, which does not exist in Scotland anyway. She will have just four more days to wait until after the summit that was promised and discussed in Committee, when my hon. Friend the Minister will lay out our plans in detail, with plenty of time for the transitions to come into effect.

Charlotte Leslie (Bristol North West) (Con): Will the Minister update us on the Government's plans to introduce performance measures that highlight the progress in attainment not only of those on the five A*-to-C boundary, but of those not achieving that level?

Tim Loughton: I am not entirely sure of the connection with the transition plans for careers services.

Kevin Brennan (Cardiff West) (Lab): There is no "connexion".

Tim Loughton: There is an odd connection, as the hon. Gentleman says. Last week my right hon. Friend the Secretary of State set out the plans for raising the threshold, which is surely a much more realistic and aspirational target than the rather poor compromise that we have had up to now.

Mr Iain Wright (Hartlepool) (Lab): I am not surprised that the Minister in charge of the careers service does not want to show his face in this place—it has not done his own career any good—but I am pleased that our man in Havana is with us today. This whole episode has

been handled absolutely shambolically, but will the Minister now at least confirm, even at this late stage, that despite the lack of a transition plan eight months on from the announcement, face-to-face quality advice and guidance from a careers professional will be provided to all children, and that no one will be left out?

Tim Loughton: As a question, that was close, but no cigar. However, just last week the hon. Gentleman was referring to my hon. Friend the Minister as his friend, and he will appreciate more than many the immense amount of work that he has put in to ensure that the arrangements are absolutely right. Let us remember that it was the hon. Gentleman's former friend, the right hon. Alan Milburn, who panned the former Connexions service as being patchy and inefficient. We want to ensure that we do not make those sorts of mistakes and that we get it right for our many young people in future.

English Baccalaureate

2. **Stephen Lloyd** (Eastbourne) (LD): What assessment he has made of the effects of the decision not to include religious education in the English baccalaureate. [64598]

The Minister of State, Department for Education (Mr Nick Gibb): We have had a large number of representations about the potential effect of the English baccalaureate on religious education in schools. We are carrying out our own work to assess the extent of the changes that schools are making from next year, and we shall continue to monitor the take-up of all subjects and the associated staffing implications. Religious education remains a vital subject that it is compulsory for all schools to teach through to the age of 16.

Stephen Lloyd: I have been lobbying the Government on this issue for some months now. The schools Minister has repeatedly asked for evidence to back up claims that excluding RE from the E-bac will have a negative impact on take-up and teaching provision. Last week, a report by the National Association of Teachers of Religious Education, based on evidence from half of all state schools in England, showed that a quarter of schools are not providing statutory RE for 14 to 16-year-olds. Will the Minister address the issue, now that we have the proof?

Mr Gibb: The NATRE study cited by my hon. Friend suggests that around one in six schools anticipate a drop in religious studies entries at GCSE related to the E-bac, but it is not clear what overall effect that might have on take-up. Well over half of schools specifically indicated in that survey that there would not be a drop in GCSE entries in RS; indeed, a proportion said that there would be an increase in entries. That bears out the fact that the English baccalaureate does not prevent any school from offering RS GCSEs, and RE remains a statutory part of the curriculum.

Andy Burnham (Leigh) (Lab): I do not know whether you are a fan of films of the '80s, Mr Speaker, but you might remember one called "Back to the Future". It starred a man called Michael who was trapped in the 1950s—an echo, perhaps, of someone else in modern politics. Ministers are hopelessly stuck in the past: they drop work experience at key stage 4 and promote Latin above engineering, ICT and RE, yet we know religious education helps young people understand the world today. Ministers tell us that the E-bac is what parents and students want, so will the Minister tell us what percentage of year 9 students who have recently chosen their GCSE options have opted for the English bac?

Mr Gibb: We do not collect the figure centrally. We will see the effect of the English baccalaureate when we see the GCSE results this year, next year and the year after that. If the right hon. Gentleman wants a modern curriculum, he should be aware that we need modern languages to be taught in our schools. Under his watch, the numbers entering for GCSE in modern languages plummeted from 79% in the year 2000 to just 43% last year, while the proportion taking geography fell from 44% in 1997 to 27% last year. The range of subjects in the English baccalaureate is mirrored elsewhere in modern emerging economies such as Singapore, France, Japan and Alberta. [Hon. Members: "Alberta?"] In Canada. Those are the most successful education jurisdictions.

Andy Burnham: It is just not good enough that the Minister does not know about the impact his policies are having on student choices in schools. In my constituency, about 30% of young people are opting for the English bac; what does the Minister have to say to the other 70% who have chosen not to do it? RE teachers, music teachers and art teachers are at risk of redundancy because of the English baccalaureate. No wonder nine faith leaders wrote to *The Daily Telegraph* this weekend to say that they were

"gravely concerned about the negative impact current Government policies are having on RE in schools".

Ministers promised freedom, choice and autonomy in education; is it not time that they started living up to those words?

Mr Gibb: If we were to take advice from the right hon. Gentleman, we would have a cap on aspiration for young people from the most disadvantaged backgrounds. He should be ashamed of the fact that his Government left this Government a legacy whereby only 8% of pupils on free school meals were even entered for the English baccalaureate subjects, and these are subjects that the Russell group of universities regards as the facilitating subjects that give rise to progression. Only 4% of those pupils actually achieved the results in comparison with 15.6% nationally. The right hon. Gentleman had a cap on aspiration; we want to raise aspiration right across the abilities and backgrounds of young people.

Public Examinations

3. **Mr Edward Leigh** (Gainsborough) (Con): What steps he is taking to ensure that public examinations are set to a high standard. [64599]

The Secretary of State for Education (Michael Gove): The Government are committed to ensuring that GCSEs and A-levels compare with the best exams in the world, so we will increase the role of higher education in the development of A-levels; we will change the rules on modules and retakes so that GCSE examinations are

taken at the end of the course; and we will ensure that proper marks are once more given for spelling, punctuation and grammar.

Mr Leigh: Does my right hon. Friend recall a study by the Royal Society of Chemistry in 2008—I think he will because he commented on it at the time—showing that 1,300 of the brightest 16-year-olds found great difficulty answering questions taken from the 1960s and '70s? Does this not prove that standards have dropped? Is there any evidence that the steps my right hon. Friend is taking will make a real difference so that we can halt the catastrophic decline in the standard of A-levels?

Michael Gove: I am grateful to my hon. Friend, who is absolutely right to say that the Royal Society of Chemistry and other learned bodies have pointed out that some examinations our young people sit today simply do not compare with the best in the world. I have asked the Office of the Qualifications and Examinations Regulator to ensure that the tests that our children sit to prepare them for the 21st century are every bit as rigorous as those in the other countries that the Minister of State, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb) mentioned, which are currently outpacing us in educational achievement.

John Mann (Bassetlaw) (Lab): On 9 June, Ofqual apologised for the record number of examination question errors this year and said that every paper had been rechecked. On 12 June, three more examination papers were found with errors in them. Why?

Michael Gove: I share the hon. Gentleman's concern, which is why Ofqual has ensured that there will be an inquiry into the mistakes made by the awarding bodies. This is not the first year, and it might not be the last, in which awarding bodies made mistakes in examinations, but it is a cause of heartbreak for every family affected. We inherited an examination system from the previous Government that needed reform. That is why we are changing both the way Ofqual operates and the way in which awarding bodies are held to account.

"Out of Mind, Out of Sight"

4. **Ann Coffey** (Stockport) (Lab): What representations he has received on the report "Out of Mind, Out of Sight" issued by the Child Exploitation and Online Protection Centre. [64600]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The CEOP thematic assessment has been widely welcomed as an important contribution to the tackling of child sexual exploitation. As available data are limited, the report does not provide a complete picture of this horrific abuse, but it does help us to understand much better the scale, nature and complexity of the issues that we are facing. As the hon. Lady knows, the Government are working with national and local partners to develop a comprehensive action plan, which we will publish this autumn.

Ann Coffey: The CEOP report says that sexually exploited children frequently go missing or run away, but, the Children's Society report "Make Runaways Safe", which was published today, says that two thirds of runaway children are not reported missing. One of its most disturbing findings is that most runaway children do not seek help because they do not feel that there is anyone whom they can trust. When drawing up his action plan, will the Minister take full account of the findings of both those reports?

Tim Loughton: I pay tribute to the hon. Lady again for the immense amount of work that she has done. She and I recently took part in a debate on the subject in Westminster Hall. She is right to draw attention to the strong link between runaway children and sexual exploitation, and that will certainly feature in the action plan we are drawing up. The Children's Society report, which was published today, makes even more harrowing reading and reminds us of the urgency of the task. According to the report, children as young as eight are subjected to sexual exploitation, which is completely unacceptable.

Industrial Action

5. **Pamela Nash** (Airdrie and Shotts) (Lab): On how many days annually on average schools were closed owing to strike action between (a) 1979 and 1997 and (b) 1997 and 2010; and what assessment he has made of the likely trends in days lost to such action in the next four years. [64601]

The Secretary of State for Education (Michael Gove): My Department published detailed information on school closures associated with the industrial action on 30 June. The Department has not collected such detailed figures in the past, so we do not have comprehensive figures for the days lost between 1979 and 2010, and it is not possible to predict the number of days on which schools might close in the event of future industrial action.

Pamela Nash: It is clear from figures available to Labour Members that more strike days were taken under the previous Conservative Government than under the more recent Labour Government. Is that because a Tory-led Government are incapable of sitting around a table and negotiating with teachers, or does the Secretary of State have an alternative explanation?

Michael Gove: I agree with the hon. Lady that negotiation is important. That is why I look forward to talking to representatives of the trade unions later this afternoon and why I value the discussions that we have with them, not just about pensions but about every issue.

Kevin Brennan (Cardiff West) (Lab): In all the pension negotiations that have led to the recent strikes, the Secretary of State seems to have been a bit of a non-entity. Has he made any representations to his Cabinet Office and Treasury colleagues in support of the teachers' case on pensions, or has he decided simply to wash his hands of their concerns?

Michael Gove: I note that the hon. Gentleman has promoted me from Marty McFly to Pontius Pilate in just 30 seconds. Far from washing my hands, however, I have been actively intervening to ensure that, across Government, we make certain that pensions for valued public sector workers such as teachers are protected,

while at the same time being fair to all taxpayers and reflecting the reforms that Lord Hutton, in his excellent report, suggested we pursue.

Youth Services

6. **Stella Creasy** (Walthamstow) (Lab/Co-op): What recent representations he has received on the benefits of year-round youth services. [64602]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I discuss youth services regularly with a wide range of stakeholders, particularly young people. The Government acknowledge the value of year-round services when they are of high quality, but too many are of variable quality, insufficiently targeted on those most in need, and not open to a range of providers. Through the early intervention grant we are encouraging local authorities to improve services by making better use of the voluntary sector, increasing the involvement of local businesses, and ensuring that disadvantaged young people receive early help.

Stella Creasy: On 4 May, the Minister told the Select Committee on Education that he was concerned about the "bang for your buck" in the provision of universal youth services. The Committee's report on youth services shows that the national citizen service, as currently constructed, does not provide value for money. What action is the Minister taking to prevent himself from being hauled before the Public Accounts Committee for wasting valuable resources that should go to our young people?

Tim Loughton: I noticed that the term "value for money" tripped rather awkwardly from the hon. Lady's lips. The Select Committee report was about services beyond the school day for young people aged between 13 and 25, yet the press release focused almost solely on the national citizens service, which is for 16-year-olds. We are running pilots this year. The purpose of pilots is to see how things work, and in this case to ensure we get value for money and the biggest bang for our buck so that as many of our 16-year-olds as possible will benefit from this wonderful scheme in years to come. I hope the hon. Lady will visit one of the schemes in her area.

Dan Rogerson (North Cornwall) (LD): The Minister rightly pointed out that provision has been different in that the service has been non-statutory. What consideration has he given to the idea of objectives being proposed that it would be hoped commissioners would take up, so that young people across the country would be able to engage with the process and there could be some minimum standards?

Tim Loughton: I take on board my hon. Friend's point. Youth service provision is very patchy across the country and needs to be modernised, and some youth services departments do not take on board what local people actually need. Above all, we must ensure that we involve all the relevant sectors and people—the voluntary and business sectors, youth workers and, most importantly, young people themselves, who are often not included in consultations on the services we provide for them. I am determined that under my watch that will be a thing of the past.

Toby Perkins (Chesterfield) (Lab): The Minister says he thinks value for money is important and stresses the importance of the voluntary sector in providing youth services, but the Select Committee on Education report makes it absolutely clear that voluntary service organisations are already playing a very significant part in youth service provision and tells the Government that they need to acknowledge what is happening on the ground and act now. Will the Minister speak up for our young people and explain what he is going to do about the crisis in youth service provision, with local authorities right across the country making swingeing cuts?

Tim Loughton: Unlike the previous Government, who rather demonised young people, this Government will speak up for young people wherever we can. That is why the comprehensive youth policy we are putting together will be called "positive for youth." It will include contributions from the voluntary sector, the business sector, the youth worker sector and young people themselves. Our very successful summit at the QEII centre in March was a springboard for probably the most comprehensive youth policy that any Government will produce. I look forward to the hon. Gentleman reading that report when it comes out in the autumn.

Traveller Children

7. **Mr Philip Hollobone** (Kettering) (Con): How many schools in England are attended entirely by Traveller children. [64603]

The Minister of State, Department for Education (Mr Nick Gibb): No schools in England are attended entirely by Traveller children.

Mr Hollobone: For the record, the Minister should be advised that Braybrooke primary school in my constituency is populated 100% by Traveller children. It must be the only school in the country where children from the local village do not attend and the entire population is made up of children from local Traveller camps. Will my hon. Friend be kind enough to visit the school to see how we might address this unique situation?

Mr Gibb: I will, of course, be delighted to visit my hon. Friend's constituency and Braybrooke primary school. The Government are committed to the promotion of community cohesion and to breaking down barriers between different groups in society, and we have committed £201 million within the dedicated schools grant to help schools raise the performance of ethnic minority pupils, including Traveller children.

Careers Service

8. **Kate Green** (Stretford and Urmston) (Lab): What recent representations he has received on face-to-face careers advice. [64604]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The careers guidance provisions in clauses 26 and 27 of the Education Bill have been extensively debated and will be subjected to further scrutiny in the House of Lords. A wide range of stakeholders submitted evidence to inform the passage of the Education Bill through Parliament.

Ministers frequently respond to correspondence relating to the delivery of careers guidance. The subject has been raised in discussions with a number of interested parties including representatives from the careers sector, the Association of School and College Leaders and the Association of Colleges.

Kate Green: Careers advice and guidance will have to be provided in schools, but my understanding is that no inspection regime will be in force to ensure they do so. How will we know that schools facing scarcity of resources will provide impartial and high-quality advice?

Tim Loughton: The most important way we will discover how well the new system will work is not through measuring inputs, but through measuring outcomes. Ofsted will therefore have a role in looking at the destinations of young people leaving school, and that will be part of the performance measures we are currently discussing, which will be in place for 2012.

Simon Hughes (Bermondsey and Old Southwark) (LD): It is obvious from information around the country that the young people who most need face-to-face careers guidance are those from the most disadvantaged backgrounds, where they do not receive that support at home. As Ministers consider how to deal with the Education Bill in the Lords and this guidance, will they reflect on the fact that specific advice that would lead to face-to-face careers guidance would be hugely valued, particularly in the most disadvantaged schools and areas?

Tim Loughton: My right hon. Friend makes a very important point and, as I say, those considerations will form part of the summit that my colleague is holding this Friday. He makes the point that every child is different, and we need to ensure that we provide tailor-made careers advice that is suitable and appropriate for the child. The new arrangements will give schools far greater flexibility to make sure that they are delivering what works to the children they know best.

Mr Gordon Marsden (Blackpool South) (Lab): The Minister talks about outputs, but the reality is that we cannot look at them unless there is some input in the first place. People at my local schools in Blackpool are distraught that the Department has taken away the dedicated £200 million that was supposed to go into providing face-to-face guidance. How does he expect proper provision to be delivered if he is not investing any money in the first place?

Tim Loughton: The hon. Gentleman will recall that funding for schools has been greatly protected, and now, by taking away the ring fences, we are making sure that schools can deliver the most appropriate, best-quality careers advice for the children they know best. That used to happen when I was at school under a Mr Herbert, although one could say that my ending up as a Member of Parliament does not suggest the best careers advice.

Pupil Premium

9. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What assessment he has made of the way in which the pupil premium is being spent in (a) Lancaster and Fleetwood constituency and (b) England. [64605]

The Minister of State, Department for Education (Sarah Teather): Schools are best placed to decide how to spend the pupil premium in ways that they judge to be most effective in helping their most deprived pupils. We will learn from those schools that are making the most effective use of the premium. From this year, performance tables will publish data showing the attainment gap between disadvantaged children and their more affluent peers. From September 2012, schools will provide information to parents about their use of pupil premium funding.

Eric Ollerenshaw: I am not sure that that was quite the answer to my question. Given the importance of this policy, the fact that we are at last beginning to target extra resources on some of the most disadvantaged pupils in all our schools and the fact that there have been so many failed policies in this sphere, how are we going to assess this policy?

Sarah Teather: The hon. Gentleman is correct in saying that I did not answer his point about Lancaster and Fleetwood, so I will respond to him in writing about it. As I said, schools will be held accountable for their use of the pupil premium by the detail in the performance tables, which will be published from this year, and by the requirement from September 2012 to make it clear how they are spending their pupil premium money in respect of the progress made on the attainment of the pupils it covers. We are also very committed to providing advice on best practice and we will be doing that soon.

Mr Speaker: The motto is that Ministers should look at the question on the Order Paper before answering, rather than afterwards, but I appreciate what the Minister has said and I think that the House is grateful for it.

Personal, Social, Health and Economic Education

10. **Jo Swinson** (East Dunbartonshire) (LD): When he plans to launch the internal review of personal, social, health and economic education announced in the teaching White Paper. [64606]

The Minister of State, Department for Education (Mr Nick Gibb): We will announce details of the internal review of personal, social, health and economic education shortly. The issues covered in this subject are very important. We are taking time to ensure that the review, when it starts, can identify what schools need to do to improve PSHE while allowing teachers the flexibility to use their judgment on how best to deliver it.

Jo Swinson: Figures reported last week showed that among 13 and 14-year-olds more than 1,000 abortions were carried out last year, which just highlights the need for us to do better in providing high-quality sex education taught in the context of relationships. Will the Minister stop delaying the review—it was due to start in February—so that we can ensure that children have access to the vital information and learning they need to develop into healthy and confident young adults?

Mr Gibb: My hon. Friend is right to say that these are important issues. Children need to have good-quality PSHE at schools, and that is precisely what the review

will cover. We are taking our time setting up the review to ensure that its remit is correctly drafted and that the quality of the review gives rise to a high-quality improvement in the teaching of PSHE in those subjects in our schools.

Fiona Mactaggart (Slough) (Lab): But will he ensure that the need for schools to help to prevent domestic violence and violence between boys and girls is made a priority in the review? Every relevant Committee of this House, including the most recent Select Committee on Home Affairs, has identified that although in Britain we are relatively good at dealing with the policing of domestic violence, we are very bad at preventing it. Schools have more of a role to play; will the Minister ensure that they do that?

Mr Gibb: Yes. We are determined to play a strong part in the cross-government action plan on ending violence, particularly against women and girls, that is led by the Home Office. We are providing support to families with multiple problems, funded by the early intervention grant, and we are taking forward the recommendations of the Reg Bailey review. The PSHE review will consider sexual consent, which is an important issue to cover, and we are raising standards of behaviour in our schools, with a particular focus on anti-bullying.

Mr Stewart Jackson (Peterborough) (Con): Following the publication of the internal review, will the Minister ensure that the consultation that is undertaken will restate the very important part that governors and parents play in the development of such policies?

Mr Gibb: Yes, I can give my hon. Friend that assurance. All the reviews we are carrying out will be open and we will want a wide consultation with as many representations from interested parties as possible, including governors and parents.

Mr Denis MacShane (Rotherham) (Lab): There has been an explosion in internal trafficking and the grooming of school girls for the purposes of sexual exploitation, and although I hate to add more ideas to the curriculum, schools need to discuss that, to identify the symptoms and to explain the dangers to children. I hate to add new material to the work of the Department, but could this problem now be tackled in schools by alerting children to what they might face and how to recognise it?

Mr Gibb: The right hon. Gentleman is right to raise these issues. Such actions are crimes and are unacceptable in our society, and the issues that he raises were covered by the Reg Bailey review and will form a part of the review we are asking the committee to consider.

University Technical Colleges

11. **Mr Rob Wilson** (Reading East) (Con): What assessment he has made of the level of interest in establishing university technical colleges. [64607]

The Secretary of State for Education (Michael Gove): My Department has received 37 applications to open university technical colleges.

Mr Wilson: The investment in UTCs and technical academies is very welcome and will, I believe, provide a substantial boost to education standards in the areas that will have them. Has my right hon. Friend given any thought to how we can accelerate the UTC programme so that more areas can benefit from this fantastic programme?

Michael Gove: I am grateful to my hon. Friend, who is a champion of high-quality vocational and technical education. The Government are doing more for vocational and technical education than any and that is why I am so pleased that he is heavily involved with the bid to ensure that Reading receives an appropriate technical academy. We are doing everything possible to accelerate consideration of those bids and to support as many as possible and I am grateful for the support of the Chancellor.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Secretary of State will know that many of us hope that the university technical school pilots will be successful and we watch with great interest. Has not an important opportunity been missed of working with the further education sector, which knows a lot about teaching young people from the age of 14 in technical subjects? Is there not a great deal of capacity and potential in that market, too?

Michael Gove: The hon. Gentleman makes a characteristically shrewd point. Professor Alison Wolf argued in her report that we should ensure parity of esteem between teachers in schools and those in further education colleges, that the qualified teacher learning and skills status, or QTLS, qualification should be considered equivalent to qualified teacher status, or QTS, and that the links between schools and FE colleges should be improved in a number of ways. As ever, the hon. Gentleman hits the nail squarely on the head.

Curriculum

12. **Robert Flello** (Stoke-on-Trent South) (Lab): What recent representations he has received on the breadth of the curriculum. [64608]

The Minister of State, Department for Education (Mr Nick Gibb): We are currently reviewing the national curriculum. As part of that review, we carried out a call for evidence that attracted nearly 5,800 responses, including many that raised issues about the breadth of the curriculum. The national curriculum sets out the curriculum that all maintained schools must teach, but it is only part of the wider curriculum, which is determined by school themselves. All schools are required to teach a broad and balanced curriculum.

Robert Flello: In considering representations, has the Minister thought about what Barack Obama's Education Secretary said? He commented:

"U.S. students will need both the hard skills of math and English language arts and science, and the soft employability skills, to thrive in our flattened world."

Will the Minister perhaps reconsider things such as the E-bac curriculum for a flattened world rather than continuing with the flat earth views he seems to have had until now?

Mr Gibb: Arne Duncan came to this country to see schools such as Mossbourne academy delivering a very high-quality curriculum. The hon. Gentleman must not confuse the national curriculum with the school curriculum. We do not want to set out every minute of every hour of every day in the national curriculum, which was the approach taken by the previous Government. We should leave it to the professionalism of teachers to determine the school curriculum, which covers issues such as soft skills and ensuring that children have a rounded education and are confident people when they leave school.

Margot James (Stourbridge) (Con): In conducting his review of the curriculum, will my hon. Friend give consideration to the choices that young people make about GCSE subjects at a young age without having enough information about how those choices might affect their university aspirations? Will he ask schools to make sure that they are aware of the "Informed Choices" document recently published by the Russell group of universities?

Mr Gibb: My hon. Friend makes a very good point. It is a concern that only 8% of young people who qualify for free school meals are even entered for the English baccalaureate subjects and that only 4% achieve the desired results. The Government are determined to close the attainment gap between those from poorer and those from wealthier backgrounds. Taking the right choices at GCSE and A-level is key to ensuring progression either into further and higher education or into successful employment.

Music

13. **Mr Stephen Hepburn** (Jarrow) (Lab): What recent representations he has received on encouraging children to study music. [64609]

The Secretary of State for Education (Michael Gove): We are very lucky that there is so much excellent music teaching in our schools and we are anxious to ensure that it improves even further. We have made £82.5 million available to make that a reality. In the past few months, we have received almost 4,000 representations on how we can further improve music education.

Mr Hepburn: As the Secretary of State says, the Government have announced this new system of funding music in schools. If it is, indeed, a bidding system, what assurances can he give to the schools and schoolchildren who will inevitably lose out?

Michael Gove: I do not believe that any school or child will lose out. The hon. Gentleman is very lucky that on his doorstep sits the Sage centre, which is an outstanding exemplar of music education. The funds that we have available and the national music plan that we hope to unveil this autumn will ensure that the already high standards that exist in areas such as south Tyneside are augmented even further in future.

Mr Edward Timpson (Crewe and Nantwich) (Con): Will my right hon. Friend join me in welcoming the recent announcement of a national music competition, the "Next BRIT thing", which is backed by both the Government and the UK music industry? Is it not an example of the Government's commitment to nurturing our future musical talent?

Michael Gove: I could not agree more. My hon. Friend puts his case brilliantly.

History

14. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What recent representations he has received on the teaching of British history to all children of secondary school age. [64610]

The Minister of State, Department for Education (Mr Nick Gibb): We have received a number of representations about the teaching of history in secondary schools and about the place of British history in the curriculum. In addition, as part of our review of the national curriculum, our recent call for evidence attracted nearly 5,800 responses, of which more than 2,500 related to history.

Stephen Phillips: I am grateful to my hon. Friend for that answer. One of the great achievements of the previous Conservative Government was ensuring that every child learned some British history before leaving school, but some academies are now designing alternative curricula for pupils who will not achieve a C grade in the English baccalaureate, which might mean that they do not study history at all—at secondary school at least. What steps is my hon. Friend taking to impress on academy head teachers the importance of all children being taught British history?

Mr Gibb: I agree with my hon. and learned Friend about the importance of teaching history in schools, particularly British history, and we know that teachers share this view. Having the flexibility for teachers to be imaginative in how they design the curriculum within a broad and balanced context is a key feature of the academies programme, and the improvements we have seen in academies' GCSE results suggests that this approach is working well among academies. However, we hope and expect that the curriculum review will deliver a high-quality national curriculum that academies will wish to adopt. It is important that we do not limit aspiration, as my hon. and learned Friend has said, and that is why we will be publishing data specifically about the GCSE results of lower-attaining students on a school-by-school basis.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Will the Minister confirm that the most recent Ofsted report stated that the decline in the teaching of British history was a myth? Is not the real issue that the average 11 to 13-year-old receives only 38 hours of history teaching a year, with academies being among the worst-performing schools in that regard?

Mr Gibb: There is a lot of very high-quality history teaching taking place at both primary and secondary level but we are concerned about the drop in the proportion of young people taking history at GCSE, which fell from 35% of the cohort in 1997 to just 31% in 2009. Addressing that lies at the heart of the reason for introducing the concept of the English baccalaureate.

Sure Start Children's Centres

15. **Mr Andy Slaughter** (Hammersmith) (Lab): What assessment he has made of the effect of changes in funding for Sure Start children's centres in the London borough of Hammersmith and Fulham. [64611]

The Minister of State, Department for Education (Sarah Teather): The Department for Education does not collect detailed information on Sure Start children's centres in individual local authorities. Local authorities have a statutory duty to ensure that there are sufficient children's centres in their area to meet local need, so far as is reasonably practicable. It is for local authorities to commission Sure Start children's centres and to monitor and evaluate the use and impact of their services.

Mr Slaughter: There have been 45% cuts in the Sure Start budget in one year; nine centres deregistering because they have had more than 90% cuts and cannot function; and parents taking and winning judicial reviews to restore a basic service. In February the Minister said that she was monitoring the situation in Hammersmith and Fulham because there were particular concerns. Will she do more than monitor now and take some action while we still have any Sure Start centres left?

Sarah Teather: I know that the hon. Gentleman has raised this issue on many occasions. He might also be aware that last week we announced some changes to the Sure Start programme so that we will be piloting payment by results, for example. We will also require local authorities to publish information about what they are spending and on what services. If local authorities are systematically downgrading services, as he suggests, they will obviously not be eligible to benefit from payment by results, and we will be able to see that clearly from the transparency requirements that we are putting in place.

Greg Hands (Chelsea and Fulham) (Con): The Minister is right to be careful when faced with the wild misrepresentations on the issue from the Opposition Benches. Is she aware that Hammersmith and Fulham council has announced that it is committed not only to maintaining its existing 15 children's centre venues, but to expanding them by a further one centre?

Sarah Teather: I thank my hon. Friend for making that clear and putting it on the record.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I know that the Minister wants parents to be more involved in their local children's centres, but I am not sure that parents taking their council to court is exactly what she meant. Will the Secretary of State and the Ministers accept that it was their choice to slash the funding and remove the ring fence that led to the present chaos? If so, will they use the imminent early years statement finally to set out how they will keep their promise and the Prime Minister's numerous promises to protect Sure Start from cuts and closures?

Sarah Teather: That was an awful lot of waffle. *[Interruption.]* I will have to wait until everybody stops yelling because I have not got enough voice to yell over everybody else today—*[Interruption.]*

Mr Speaker: Order.

Sarah Teather: Thank you, Mr Speaker.

The hon. Member for Washington and Sunderland West (Mrs Hodgson) will just have to wait with bated breath for our early years statement, which will be out shortly and in which we will make further announcements about Sure Start and how we intend to improve the quality of early years.

Academies

16. **Bob Blackman** (Harrow East) (Con): How many schools in (a) Harrow East constituency and (b) England have converted, or applied to convert, to academy status. [64612]

The Secretary of State for Education (Michael Gove): Three high schools in Harrow East have applied to convert to academy status and are aiming to convert in a collaborative partnership with four other high schools in Harrow. A primary school is also aiming to convert in the autumn. More than 1,000 schools in England have applied to convert to academy status since June 2010. The total number of open academies, including those opened under the previous Government, now stands at 801.

Bob Blackman: I congratulate the Secretary of State on leading this quiet revolution in education in this country, freeing schools from the dead hand of local education authorities and allowing them to develop and grow. What role does he foresee local education authorities fulfilling in the future, and what arrangements is he making for the governance of these new schools to enable them to flourish and grow?

Michael Gove: Local authorities have a crucial role to play in education in ensuring fairness of admissions, making sure that the needs of children who have, for example, high-level special educational needs are respected, and making sure that when it comes to behaviour and attendance, there is appropriate collaboration. They also have a critical role to play as champions of excellence. The best local authorities pursue this role with vigour. Not all do, however.

Bursary Scheme

17. **Kerry McCarthy** (Bristol East) (Lab): Whether young people being raised by kinship carers will be eligible for the bursary scheme which will replace education maintenance allowance. [64613]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The short answer is probably. The long answer is that under the arrangements for the 16 to 19 bursary fund, the most vulnerable young people—young people in care, care leavers, those on income support, and disabled young people in receipt of both employment support allowance and disability living allowance—will receive bursaries of £1,200 a year. Young people being raised by kinship carers may fall into this category, depending on the nature of the placement, and may also receive support from the discretionary funding.

Kerry McCarthy: I am disappointed that the Minister cannot give a more specific response. These carers have stepped up to the plate, often when children have been abandoned or orphaned, and often at great financial and personal cost to themselves. I urge him to listen to organisations such as Kinship Care Alliance and, if the Government are as family-friendly as he will no doubt tell us they are in answering the question, look at families that do not fit the nuclear model and perhaps live in chaotic circumstances, but who still need help?

Tim Loughton: I absolutely agree with the hon. Lady that kinship carers do a fantastic job, and we want more of them to step up to do it and be supported in that, but it depends on the nature of the placement and whether it is formal or informal. If it is informal, those children and young people will be able to apply for discretionary funding and could end up getting more than they would have done under the old EMA arrangements. We have taken those considerations into account.

Family-friendly Policies

18. **Mrs Helen Grant** (Maidstone and The Weald) (Con): What steps he is taking to promote family-friendly policies. [64614]

The Minister of State, Department for Education (Sarah Teather): The Government are committed to promoting family-friendly policies that can support better child outcomes, help parents to balance work and family life and deliver real benefits to employers. The Department is funding a scheme to support organisations to adopt more family-friendly services and working environments for clients and employees. The Government are consulting on proposals to introduce more flexible parental leave and extend the right to flexible working to all employees.

Mrs Grant: Lack of good child care can consign many capable women to the family home or to not having children. What action will the Minister take to improve this situation?

Sarah Teather: I am very aware of the difficulties that many families face in accessing suitable child care, which is one of the reasons why we announced last week that we will consult on a more flexible arrangement for adopting the free entitlement so that families can access it a little earlier and a little later in the day, for example. That is exactly why we extended the free entitlement to 15 hours.

Topical Questions

T1. [64622] **Nicky Morgan** (Loughborough) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Education (Michael Gove): I am delighted that my Department, following extremely hard work by the Minister of State, Department for Education, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), and our behaviour adviser Mr Charlie Taylor, has today published new behaviour guidance, which is significantly slimmer, and more focused and effective. It has been widely welcomed by teachers as at last getting to grips with the indiscipline in some of our weakest schools.

Nicky Morgan: I thank the Secretary of State for his answer. He recently mentioned that there were about 200 failing primary schools in this country, which is a shocking statistic. Although there is no list, I believe that Shelthorpe primary school in my constituency is one of them. When judging whether a school is failing, what allowances are made for pupils with moderate learning difficulties, cases of social deprivation, cases involving social care and the number of free school meals? Also, the school's head teacher has asked me to invite the Secretary of State to visit the school.

Michael Gove: I am grateful for my hon. Friend's question. We specifically take into account not just raw attainment, but the progress that children are making in school to ensure that any judgment is properly contextualised. The 200 weakest schools are those that have been below floor standards for five years. Let me be clear: that means that more than 40% of students leaving those schools over the previous four years have been incapable of reading, writing or adding up to an acceptable level. We absolutely need to take action where schools are failing and where communities are aware that those schools are not performing as well as they should be. I hope that Members on both sides of the House will recognise that such action is necessary.

T5. [64626] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): Will the Secretary of State reassure the parents, teachers and governors of Moorside school in Halifax that they will get the necessary capital funding for the new build they have been promised for so long, and if so, say when they will get it?

Michael Gove: It is vital to ensure that we have an accurate picture of the schools that are most in need of capital funding. One of the unfortunate consequences of decisions made by the previous Government is that in about 2006 we stopped collecting data at a national level on the state of school buildings, which means that we do not have an accurate picture of the schools that are most in need. The hon. Lady makes a very good case for a school in her constituency, which I know she represents effectively, but we have to look at the picture in the round.

T2. [64623] **Mr Andrew Turner** (Isle of Wight) (Con): Five families have been refused admission to Wootton primary school on the Isle of Wight from the beginning of next term, which means that four-year-olds will have to travel to other schools, the nearest of which is 2.5 miles away. Mothers who want to travel with their child would have to pay for that, assuming that public transport was available. This is a complete scandal. Surely the ridiculous limits on the size of primary schools imposed by the Labour party need to be reconsidered, and before the beginning of next term.

The Minister of State, Department for Education (Mr Nick Gibb): I have every sympathy with my hon. Friend's point. It is not the first time that we have received reports of this nature, with families frustrated and confused by an admissions system that is too

complex and bureaucratic and which effectively rations places in good and popular schools. That is why we are consulting on simpler and fairer admissions systems. The key point is that there are simply not enough good school places, so it was absurd that it was not possible before to raise the number of places in good schools. Increasing the flexibility to do so is therefore a major part of the new admissions code.

Paul Flynn (Newport West) (Lab): The baccalaureate's emphasis on ancient history and Latin will allow our students to cope admirably with the Roman invasion 2,000 years ago, but leave them less able to cope with modern life, because of the neglect of IT. In which century are the Government living?

Michael Gove: It is a source of considerable pride to me that the number of students studying Latin in comprehensives is the highest ever. We are presiding over the greatest renaissance in Latin learning since Julius Caesar invaded. *[Interruption.]* Those who are about to answer should be saluted, as we say in Latin. The critical thing is that we have to ensure that our examinations in every subject are up there with the best in the world. It is striking that before he went to university, one of the iconic figures of the 21st century—Mark Zuckerberg, the founder of Facebook—studied Latin, Greek and classical Hebrew.

T3. [64624] **Mr Peter Bone** (Wellingborough) (Con): I recently met parents who send their children to Sceptre school, a Christian-based independent school that has decided to apply for free school status. They said:

"Overall, we will be able to enrich the choice and diversity that will, in turn, drive up standards and increase opportunities."

Is that not an example of the Conservative-led Government delivering?

Michael Gove: I am hugely grateful to my hon. Friend for pointing out the enormous interest in our free school programme. Everyone from former advisers in Tony Blair's No. 10 through to figures from grass-roots faith organisations has embraced that reform. I fear that the only people who are still standing against that wave of the future are the isolated and neolithic figures of the Labour Front Bench.

Mr Dennis Skinner (Bolsover) (Lab): The Secretary of State knows that one of the neediest schools that he has to deal with—and it was described as a compelling case by one of his junior Ministers—is Tibshelf, which was built before the first world war. Pit props are holding up part of the roof, and teachers have to tramp between one school and another to keep the show on the road. When is the Secretary of State going to give the Tibshelf people a chance to have their new school built?

Michael Gove: The hon. Gentleman is a consistent and effective campaigner on behalf of the parents, children and teachers of Tibshelf school, and I congratulate them on having such an impassioned defender. However, that school is in such poor repair because, under 13 years of Labour rule, money was wasted. It did not go to the front line, and the hon. Gentleman's constituents, like many poorer students around the country, were failed by an arrogant, unaccountable and out-of-touch Labour Government.

T4. [64625] **Mel Stride** (Central Devon) (Con): The Sutton Trust has recently stated that under the previous Government, between 2007 and 2009, a group of 2,000 secondary schools and sixth-form colleges sent fewer pupils to Oxford and Cambridge than just five of our leading independent schools. Will my right hon. Friend join me in deploring that situation, and will he set out what this Government are going to do to put that record right?

Michael Gove: My hon. Friend is absolutely right to point out that social mobility went backwards under Labour. Poorer students had a better chance of going to university before the Labour Government came to power than after they left office. We are changing that, and we are making sure that with increased investment through the pupil premium, higher standards in the English baccalaureate and a remorseless drive to get the best possible teachers into the classroom, standards rise for the poorest. It is a great pity that the once so-called party of progress is standing in the way of that necessary reform.

Lisa Nandy (Wigan) (Lab): In answer to my hon. Friend the Member for Bristol East (Kerry McCarthy), Ministers repeated the confusion about who will, or will not, be eligible for education maintenance allowance. Given the overwhelming evidence that young people need to know whether they will receive EMA so that they can make a decision to go to college, will the Government think again?

Michael Gove: I am grateful for the point that the hon. Lady makes. We are doing everything possible to ensure that the replacement for education maintenance allowance, the discretionary learner support fund, is in place as soon as possible. We had consultations with college principals who said that while they accepted that these were straitened times, they would prefer to have discretion over how that funding was allocated, and we are happy to accede to that general advice.

T6. [64627] **Duncan Hames** (Chippenham) (LD): At Frogwell primary school in Chippenham I have seen for myself the success of the Every Child Counts drive for early intervention to aid numeracy in Wiltshire schools. How does the Secretary of State propose to monitor the take-up of such programmes now that the budgets that pay for them have been delegated to schools themselves?

Michael Gove: My hon. Friend makes a very good point. Catch-up programmes in numeracy and literacy are hugely important. That is why we are making sure that in our reform of the accountability measures for all schools we take account not only of the raw attainment at the end of primary school but of how children do, particularly when they are from poorer backgrounds or have low levels of prior attainment. It is not for us to prescribe exactly the method, but it is for us to ensure that the poorest are better served.

Emma Reynolds (Wolverhampton North East) (Lab): Can the Education Secretary confirm that the objective of his schools reforms, particularly the introduction of free schools, is to provide an over-supply of schools, thereby inevitably setting some schools up for failure? Has he made an assessment of the costs and upheaval that that will generate?

Michael Gove: That is an interesting ideological take, but I am afraid that the hon. Lady is wrong. If she wants to talk about setting schools up for failure, she should look at the at east 200 underperforming primary schools that we were discussing earlier. Free schools will introduce innovation and higher standards to some of the areas that are desperately in need of new schools. They will also ensure that the growth in pupil population at primary, for which the previous Government failed to prepare adequately, is at last addressed with innovative new schools in the places that count.

T7. [64628] **Charlie Elphicke** (Dover) (Con): How can parents of children with special needs be more involved in the education of their children? I recently met parents at Ripplevale school in my constituency who say that they must not only battle the difficulties and challenges that are obvious to all but battle the education authority, time and again, to get a fair, decent and proper education for their children.

The Minister of State, Department for Education (Sarah Teather): We finished our consultation on the Green Paper on 30 June and received 2,300 responses along similar lines to those my hon. Friend has outlined. I feel very passionately about the need to involve parents better, particularly if their child has special educational needs. That is one of the reasons we are rolling out Achievement for All—a programme that does exactly that.

Mr David Hanson (Delyn) (Lab): When do Ministers expect to come to a conclusion with the devolved Administrations on the replacement for the child trust fund for looked-after children, which was promised by the Chancellor of the Exchequer some months ago but which, as far as I can see, is still yet to reach its final stages?

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I can assure the right hon. Gentleman that over the past few weeks a lot of discussions have been going on between the Treasury, ourselves, some of the charities involved and hon. Members who have made these proposals. There are a number of practical problems that we have to overcome to make sure that we get the most cost-effective scheme that has the biggest impact for those who most need it, but I can assure him that it is going to happen.

T8. [64629] **Matthew Hancock** (West Suffolk) (Con): May I commend strongly to the Secretary of State the proposal for a free school at Breckland school in Brandon—a middle school that was set for closure under the previous Administration? If that happened, there would be no post-11 education in Brandon, but if it gets the go-ahead as a free school there will be education all the way up to 16. That will have a massively positive impact on the community, and I hope that he will commend it.

Michael Gove *rose—*

Mr Speaker: Order. I remind the House that topical questions and answers are supposed to be brief.

Michael Gove: That was a very effective pitch from a very effective Back Bencher.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I agree with the Secretary of State's aim to raise standards in primary schools. Will he therefore meet me to discuss why he is seeking to remove the outstanding leadership of a primary school in my constituency that has been praised by his permanent secretary and has this year taken children above floor standards, and where his proposals threaten to make the situation much worse?

Michael Gove: I will be delighted to meet the hon. Lady.

T9. [64630] **Mr Marcus Jones** (Nuneaton) (Con): Over recent weeks, I have seen many parents in my constituency surgery who are extremely unhappy because they could not get their sons and daughters into the schools of their choice. What can my right hon. Friend do to end this school place lottery and get more good school places in my constituency?

Mr Gibb: My hon. Friend raises a good point, which is a major concern of this Government. More than one in six parents have children who are not offered a place at their preferred school. That has led to 85,000 appeals. We are reviewing the admissions process, which is far too complex to understand and administer. One of the proposals is to allow good schools to raise the pupil admissions number. We have had a very good response to the consultation so far and will announce our response in due course.

Mr Speaker: Order. It is much better when the hon. Gentleman addresses the House. We always look forward to that.

Nic Dakin (Scunthorpe) (Lab): It appears that the 16 to 19 funding consultation for 2013-14 will not be published until September at the earliest. Will the Secretary of State take steps to ensure that that does not delay the publication of information about the 2012-13 budgets for schools and colleges?

Michael Gove: The hon. Gentleman was a great FE principal and is a superb advocate for further education. We will do everything we can to accelerate this process.

T10. [64631] **Karl McCartney** (Lincoln) (Con): Will my right hon. Friend join me in congratulating the five schools in my city of Lincoln constituency that have converted into academies, the latest being Ermine primary school? Does he agree that academy status can bring significant benefits to schools across England by providing them with greater freedoms, rather than top-down bureaucracy, as was witnessed under the previous Labour Government?

Michael Gove: That question was epigrammatically brilliant and requires no further elucidation from me, other than to say, "Hear! Hear!"

Mr Speaker: Order. I must say that as a quick learner, the Secretary of State is proving to be exemplary, and the House is grateful to him.

Pat Glass (North West Durham) (Lab): Every head teacher and teacher I have spoken to dislikes and has enormous disrespect for the E-bac. I have not come across a single educationist who supports the Secretary of State. It is causing chaos at key stage 4 and in our schools. Is that what he meant by giving more power and autonomy to teachers?

Michael Gove: The hon. Lady is assiduous, but she has not yet talked to the head teacher of the best school in County Durham, Durham Johnston comprehensive school, who backs the E-bac, as do all the great head teachers to whom I have spoken recently.

Bob Russell (Colchester) (LD): Further to Question 13, successive Governments have failed on one area of music. Will the current Secretary of State for Education do something to promote English folk dance and song?

Michael Gove: Oscar Wilde once said that one should try everything in life once apart from folk dancing and incest. I think that he was only 50% right.

Mr Speaker: Order. We always go away from listening to the Secretary of State not only entertained, but improved. We are grateful to him.

Open Public Services White Paper

3.32 pm

The Minister of State, Cabinet Office (Mr Oliver Letwin): With permission, Mr Speaker, I would like to make a statement about the open public services White Paper.

There could not be a more important issue than this. Public services save lives, rescue people from disease and ignorance, and protect people from crime and poverty. Much of what is done by our public services is fantastic and they are among the best in the world, but we can do even better. This Government have a vision, which is set out in this White Paper, about how we can do better.

The central point is that when public services are not up to scratch, those who are well off can pay for substitutes, but for those who are not well off, there is no opportunity to pay for substitutes. We need to give everybody the same choice in and power over the services they receive that well-off people already have. This White Paper sets out how we will put that vision of choice and power for all into practice.

Our principles are clear. They are choice, decentralisation, diversity, fair access and accountability. We will increase choice wherever possible; power will be decentralised to the lowest appropriate level; public services will be open to a diverse range of providers; we will ensure that there is fair access and fair funding for all; and services will be accountable to users and taxpayers.

I will give examples of how those principles will apply in specific public services that cater for specific individuals. First, we will ensure that every adult receiving social care has an individual, personal budget by 2013, and we are moving towards personal budgets in chronic health care, for children with special needs, and in housing for vulnerable people. That means that there will be more choice and power for people who need those services. They will be able to choose what their money and the taxpayer's money is spent on.

Secondly, we are making funding follow the pupil in schools, the student in further education, the child in child care and the patient in the NHS. That means that there will be more choice and power for people who need those services. They will be able to choose where the money is spent.

Thirdly, we are providing fair access so that, for example, a pupil premium follows pupils from disadvantaged backgrounds and a health premium is paid to the local authorities that achieve the greatest improvements in public health for people in the least healthy parts of the country. We attach huge importance to that agenda. We want genuine equality of opportunity and genuine social mobility.

Fourthly, we are providing open access to data so that people can make informed choices about the services they use, such as crime maps, whereby they can see whether the local police are preventing crime in their street; health outcomes, whereby they people can see which hospitals and GPs achieve the best results; standardised satisfaction data for all public services, whereby they can see exactly which service providers are providing the quality of service they want; and open, real-time data on road conditions, speeds and accidents along our motorways, whereby they can make informed choices.

Fifthly, we will provide a new system of redress, through beefed-up powers of the ombudsmen to step in when a choice to which people have a right is denied. However, we are going further. We are not only concerned about increased choice and power for individuals, we are also determined to increase choice and power for communities so that they can determine how money is spent on their communal public services. We will do that by making it far easier for communities to take over and run public assets and assets of community value, by giving them the right to build houses for their own children and by giving parish councils and community groups the right to challenge, enabling them to take over local services and making it easier for people to form neighbourhood councils where there is none at present. We will also give neighbourhoods vastly more power to determine their own neighbourhood planning and the ability to challenge the local police at beat meetings, informed by crime maps. Let us remember that the people at those meetings will each be electors of the local police commissioner.

We recognise, of course, that some services will inevitably continue to be commissioned centrally, or by various levels of local government. Here, too, we are aiming at decentralisation, diversity and accountability. The White Paper sets out how we will use payment by results to transform welfare to work, the rehabilitation of offenders, drug and alcohol recovery, help for children in the foundation years and support for vulnerable adults. In all those areas, a diverse range of providers will be given a huge incentive to provide the social gains that our society so desperately needs by being rewarded for getting people into work, out of crime, off drugs and alcohol and into the opportunities that most of us take for granted.

To strengthen accountability, the White Paper also sets out the most radical programme of transparency for Government and the public sector anywhere in the world. To unlock innovation, the White Paper commits us to diversity of provision, removing barriers to entry, stimulating entry by new types of provider and unlocking new sources of capital. To ensure that public sector providers can hold their own on a level playing field, the White Paper sets out measures to liberate public sector bodies from red tape.

To encourage employee ownership within the public services, the White Paper sets out the measures that we are taking to promote mutualisation and employee co-operatives. To ensure that services continue if particular service providers fail, it sets out the principles for the continuity regimes that we are establishing service by service. *[Interruption.]* Marxist or not Marxist, in the past 13 months this Government have done more to increase choice and power for those served by our public services than the Labour party achieved in 13 years. The White Paper describes the comprehensive, consistent, coherent approach that we are taking to keep our public services moving in the direction of increased choice and power for service users, so that we can provide access to excellence for all. That is the aim behind the White Paper, and I commend it to the House.

Tessa Jowell (Dulwich and West Norwood) (Lab): I thank the right hon. Gentleman for his courtesy in providing me with a copy of his statement ahead of time. I have to say that although I believe absolutely his

[Tessa Jowell]

sincerity in what he has told the House, his comparison with the Labour Government wins the parliamentary prize for blooming cheek, if that is not unparliamentary language. I would rather rely on the judgment of Reform, the right-of-centre think tank, about these proposals. It states:

"The Coalition may argue that these inconsistencies"

in the White Paper

"are good politics. In fact they are bad politics because they undermine confidence that the Government is serious about reform."

That is the problem, because there is nothing new in this White Paper.

Today's statement is typical of the Government's approach to policy in general. As the right hon. Gentleman reflected, our public services, on which people of all ages in our country depend and which are often the determinant of whether their life is worth living, face significant challenges, particularly at the hands of the Tory-led coalition, which is making cuts too far and too fast. People live much longer and have ever-rising expectations, but it appears from the way in which this White Paper was launched that the Cabinet Office is more preoccupied with spin and presentation than in substantive proposals.

The White Paper contains few new ideas and even fewer new proposals. In most of the cases to which the right hon. Gentleman referred, the Government are lagging behind the action of the previous Labour Government. He referred to personal budgets. *The Sunday Times* was told several weeks ago that the right to a personal budget, which is now used by approximately 250,000 adults, was to be extended to those with long-term conditions and to children with special needs, yet there is nothing of that in the White Paper. The right hon. Gentleman also referred to the expansion of mutuals, which was also showcased in a variety of this weekend's newspapers. Back in November, the Minister for the Cabinet Office and Paymaster General undertook to put in place rights to provide for public sector workers, meaning that they could take over the running of services, but no time scale for such proposals has been forthcoming.

Ahead of today's White Paper, I set out three tests for public service reform. First, will the reforms make services more accountable and responsive to the needs of service users? Secondly, will there be clear accountability for how public money is spent, and will members of the public be protected? Thirdly and finally, will the proposals strengthen the bonds of family and community life?

The Government are failing the test of reform, because their policies are inconsistent between Departments and sometimes within them, and nothing more has been done to put communities in control or to make people more powerful.

My questions to the Minister, therefore, are these. Given that this much-trumpeted and much-awaited White Paper has not even caught up with the legacy of the previous Labour Government, who deleted the ambition from it: the officials or the Liberal Democrats? What are the plans for millions of people to become their own bosses, as was set out in the coalition document? What assurance does he give to those workers that there will be continuity of pensions and employment benefits? When will the coalition Government exceed and expand the proposals already put in place for personal budgets by the previous Labour Government? He may have received private advice that hospitals and schools should be allowed to fail, but will he make it absolutely clear, and publicly, that he will not allow that to happen? In the funding of those new services, will he also rule out competition by price?

The Reform report says:

"Viewed as a whole, the Government's public service reform policies are all over the place. The Government's failure to adhere consistently to its principles gives an air of unreality to the whole programme."

The losers will not be Members of this House, or even members of the Government, but the millions of people up and down the country whose quality of life depends on the public services that they use.

Mr Letwin: I am grateful to the right hon. Lady for her critique, but I think she has to decide whether her objection is that the White Paper does not do as many of the things that the previous Labour Government were doing already—that was part of what she seemed to be arguing—or that the proposals will do damage. If she is maintaining both positions, she must be admitting that the Labour Government did great damage, which I doubt is what she wants to admit.

To some degree, the White Paper continues where the previous Labour Government left off—they did some things that we think were good and which we are carrying through, evolving and developing. That is a sensible and, I hope the House will agree, grown-up way of conducting politics because not everything our opponents think or do is necessarily wrong. However, the White Paper carries the previous Government's programme much further, deeper and wider to deal with the very questions that the right hon. Lady addressed. For example, under the previous Administration, there was no proper system for continuity of service. One reason for the problems with Southern Cross—a legacy issue left by the previous Government—is that the previous Government did not design proper continuity-of-service regimes for the health and social care services. We are now attempting to design such regimes for all services. I hope that on mature reflection she will welcome that.

The right hon. Lady asked whether we would accept competition by price, which we have made abundantly clear we will not accept, including in the NHS. We want competition by quality, which is very different, although I assume she would agree that it makes sense to accept competition partly by price when trying, as the Government are doing, to tender through central procurement. That is certainly something that the previous Government did all the time. There are differences here, but they do not amount to inconsistencies; they amount to a coherent attempt to apply a set of principles differently in different services precisely because different services demand different treatments. She must know that. If she is claiming that much of this depends on what the Labour Government did, I would point out that they certainly did different things in different places. The White Paper is about carrying forward a programme that will benefit those using public services by giving them choice and power.

Mr Peter Lilley (Hitchin and Harpenden) (Con): May I congratulate my right hon. Friend on basing his reforms on the admirable principles of choice and of

giving people the information to make informed choices and, where possible, a diversity of providers to choose between? Choice is good not only for the people making the choice, but for the vast majority who will not exercise that choice but will see the quality of services rise under the influence of choice. However, may I caution him about trying to shoe-horn too many services under one elegant, all-embracing umbrella? Experience shows that it is better to do it section by section, service by service, because the real world is never as elegant as one's intellectual constructions.

Mr Letwin: I entirely agree with my right hon. Friend, which is why the White Paper specifically makes clear not only that we will treat individual services differently from community services and services commissioned centrally, but that we will take each service on its own merits and design a regime that applies the general principles differently. That is clearly the right way to go. However, his point is vital. The purpose of giving choice and power to individuals and communities is not just to benefit the particular individuals making the choices; it is to benefit everybody by ensuring that those choices are brought to bear in a way that improves services for all.

Hazel Blears (Salford and Eccles) (Lab): The right hon. Gentleman will know that I am a long-standing supporter of decentralisation and involving more local people in their public services. His White Paper and previous statements have made much of involving social enterprises and charities and the third sector in the provision of public services. On that basis, will he confirm that there will be an asset lock when services are transferred, particularly to social enterprises, to ensure that the organisations carrying out these services are genuine social enterprises? If he really means what he says, why have 90% of major contracts for the Work programme gone to big companies such as Serco, Capita and G4S, leaving the social enterprise sector and charities to pick up the crumbs from the table?

Mr Letwin: In answer to the right hon. Lady's first point, I would say that when assets are being transferred provision needs to be made to ensure that they are there for the public good and on a permanent basis. We intend to do that in every case in which it applies. On her point about the Work programme, I think she is missing a vital component of what the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), who has responsibility for employment, has done. It is a textbook case: he was concerned that not all the bids would come from consortia in the voluntary and community sector—only a few did—so he took steps to create a protocol relating the prime contractor to the subcontractors, as a result of which the prime contractors have to treat properly the small voluntary and community bodies that in many cases are also the subcontractors. We desperately need—and intend—to get that into the mainstream of how the Government go about business.

Mr Stephen Dorrell (Charnwood) (Con): In welcoming this White Paper, may I ask my right hon. Friend whether he agrees that one of its key foundations is the doctrine that information is power, and that if we want to make public services really accountable to the people who use them and pay for them, we will have to learn the new discipline of telling sometimes uncomfortable truths about those areas in which public services do not live up to the standards that we all want to see? That is what Mr Gorbachev used to call "glasnost". May we have a policy of glasnost in our public services?

Mr Letwin: I completely agree with my right hon. Friend that glasnost has to precede and accompany perestroika; we cannot have reconstruction, or proper choice, without transparency. That is why we have put in place exactly what he recommends—namely, a transparency regime that will in many cases cause difficulties and embarrassments for the Government. That will be worth bearing, however, to achieve real improvement. I shall give my right hon. Friend an example. In the past, there were many people, not only Labour Members but among the public at large, who said that crime maps would have no real effect and that no one would be interested in them. However, millions of people have now started using crime maps. When we also give those people the right to use beat meetings and make them electors of locally elected police commissioners, we shall be transferring power from the central state out to the people who are being served. That is a very powerful combination.

Glenda Jackson (Hampstead and Kilburn) (Lab): Is not this White Paper the somewhat unfortunate offspring of the Minister's previous passionately held ambition to privatise the world and the first Thatcherite attempt to take away power from local authorities, which resulted in all in-house services being taken away from local political power and brought absolute chaos for those who were dependent on the services? As he has clearly not learned from those previous mistakes, how can he possibly guarantee that the same chaos will not ensue once this White Paper goes through?

Mr Letwin: The hon. Lady has to deal with a question between herself and her own Front Bench. She will have noticed that the right hon. Member for Dulwich and West Norwood (Tessa Jowell) made it clear that she thought that our proposals lagged behind what the Labour Government had already tried to do. I do not think that the Labour Government would ever have accused themselves of trying to privatise everything in sight. If the Opposition are saying that the White Paper continues measures that the Labour Government were doing, they cannot possibly accuse us of trying to privatise everything in sight. Nor would it be sensible to privatise everything in that way. The White Paper makes it absolutely clear throughout that we are neutral as between public sector providers, voluntary sector providers, community groups, mutuals, co-operatives and the private sector. I hope that we will eventually get over this absurd ideological divide, because we want something very simple—namely, the best service for the person who is using it. We do not care who provides the best service; we just want to ensure that the best service is always available and that people have a choice between providers so that they can get it. I would have thought that that would join the two sides of the House.

Conor Burns (Bournemouth West) (Con): Between 1997 and 2010, there was a 57% real-terms increase in public spending, but there was no such corresponding

[Conor Burns]

increase in productivity in the public sector. How does my right hon. Friend envisage his plans increasing productivity and delivering greater value for money, including for our taxpayers in Dorset?

Mr Letwin: I am delighted to help out my hon. Friend and Dorset colleague on this. What he says is absolutely true: there was a vast increase in spending on public services during the last Government. Alas, the improvements in the outcomes were not as great as the inputs. That is precisely what we are trying to tackle, and we are doing it in an age-old way, by introducing innovation and diversity of supply, as well as choice and power for the people using the services, so that there is real pressure on all providers to improve. We need continuous pressure for improvement and continuous transparency on whether the services are improving, as well as a continuous ability for people who find a service being provided better elsewhere to choose the best service. Those are the methods that always improve quality.

Mr Mike Weir (Angus) (SNP): Most of the examples that the Minister has given are devolved, although he did mention welfare to work. He may know that there is concern in many rural and remote communities about the ability of alternative providers to deliver services. Can he at least give us an assurance that such change will not be driven through for purely ideological reasons where there is clearly no infrastructure to support alternative deliverers?

Mr Letwin: Yes, in the sense that this White Paper sets out a programme not to enforce diversity of provision, but to enable it. If the community wishes to leave a particular service that is provided by only one provider where it is, that will be for the community to judge. If the community believes that in some cases it is worth having a diversity of suppliers, that is what the community will be able to do. I am speaking now about areas that are mainly devolved, as the hon. Gentleman said; hence, I am speaking about England. I leave it to him and his colleagues to deal with those in Scotland. In the case of the Work programme, there is a diversity of suppliers; indeed, there had to be, in order to create competitive pressure to ensure that those who succeed also succeed in being paid, and that those who do not succeed are quickly replaced by those who will, because it is a payment-by-results programme and the aim is to get people back to work. We want the providers that are best at getting people back to work to be those that remain in business.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I welcome my right hon. Friend's statement and the excellent White Paper, which lays such emphasis on choice for individuals in the type of public services they wish to have. Does he agree that we cannot say that we are in favour of choice and then insist that a particular service be run by a monopolistic local authority? Nor can we say that we are against competition if we are also complaining about too much public procurement going to large private sector companies that were in favour of more competition, not less.

Mr Letwin: My hon. Friend is right that we have to maintain consistency. If we are going to achieve real choice and real power for those who are served by public services, we have to allow for diversity of provision and to be on our guard always to ensure that those who can enter the market are able to do so. That is one reason why the White Paper contains specific provisions for redress where particular providers find that they are being kept out of the market. One of the techniques that we are using for doing that was developed by the previous Government. The competition and co-operation panel and its rules, which were set up by the last Labour Government, will apply in the NHS. That is the right kind of system, and we need to replicate it in a whole series of other domains where diverse providers currently have no redress if they are prevented from entering the market.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): The right hon. Gentleman made a lot in his speech of the potential for local community groups to take over assets of community value and seize control of planning in their areas. He will be aware that there are community groups in various areas of the country—I would remind him of the route of High Speed 2—that are not necessarily in favour of development and may wish to use enhanced powers to stop it. He will also be conscious that the Chancellor said in his Budget speech that in such instances of national economic development interest, the default planning position should be to say yes. Who will prevail in a conflict between a community wanting to stop a development and the Chancellor wanting it to proceed?

Mr Letwin: The right hon. Gentleman is too much of an expert to need me to tell him this, but I will tell him because he asks for it. We have, of course, established a two-level system. For most planning decisions, we hope that the neighbourhood will take charge by engaging in neighbourhood planning. We believe that the incentives that we have built into the financial system—including the ability to get a meaningful proportion of the community infrastructure levy paid to the neighbourhood if it has more housing and development in its area—will lead neighbourhoods on the whole to prefer development. The presumption of sustainable development means that their neighbourhood plans will have to include development of an appropriate kind in order to pass muster. There will be an assessment of local housing need that contributes to that, which plans will have to observe.

However, nobody is going to pretend in our Government, any more than in the right hon. Gentleman's Government, that any neighbourhood will welcome a nuclear power station just next to it or a railway line running straight through it. Of course there will be objections in those cases, which is why we have maintained and democratised the very system that he and his colleagues set up—because they, too, operated a two-level system—in order to accelerate planning applications for major pieces of national infrastructure. There is no disagreement between us and the right hon. Gentleman on that, and there is no reason for him to invent one.

Mr Speaker: Order. As befits a distinguished former philosophy don, the Minister much enjoys conducting a Socratic dialogue with the House, and we all invariably

feel enriched by it, but in the interests of time, we should be grateful for the abridged version.

Dan Rogerson (North Cornwall) (LD): I very much welcome what we have heard about employee involvement in the running of organisations, and mutuality is a subject that my party has advocated for a long time. I also welcome the greater role for parish councils in local services. I am concerned, however, about local assets being run by community groups and the accountability of that mechanism. Will the Minister ensure that, as these proposals move forward, accountability lies at the heart of any change?

Mr Letwin: Yes, we will.

Mr Frank Roy (Motherwell and Wishaw) (Lab): One danger of welfare to work is that people can be put into jobs for which they are totally unsuited. How long will these people need to stay in work before their providers are paid for the result of their efforts in finding them a job?

Mr Letwin: The Work programme sets out a series of staged payments made to the providers when they get people into work. Full payment is made only if they keep those people in work over a sustained period. There is a huge incentive for each provider to find people work only of a kind that they will wish to remain in for the long term.

Mr Peter Bone (Wellingborough) (Con): The Government should be congratulated on bringing forward a genuine Conservative proposal. Was the Minister advised by his civil servants that this policy was both brave and courageous and is there a danger that the Government will row back from this as the years go on?

Mr Letwin: No, there is no danger that the Government will row back from this as the years go on. I can tell my hon. Friend that I have received a great deal of advice—some of it highly constructive and some of it not at all constructive—as has my right hon. Friend the Chief Secretary to the Secretary, with whom I have worked closely on producing this White Paper.

Tony Lloyd (Manchester Central) (Lab): Using the example of Southern Cross, on which a statement should have been made today, will the Minister tell us clearly what the White Paper says about market failure? The Government have been absolutely silent about market failure in this public service, as a result of which literally thousands of elderly people are now concerned about where they will spend their future.

Mr Letwin: As I said in my opening remarks, Southern Cross is a clear case of a legacy failure from the previous Government, because the arrangements under which Southern Cross operated—*[Interruption.]* There is no point in Labour Members denying this; the arrangements under which it operated were set up during the previous Administration. There is a serious point of public policy here, which is that a proper continuity regime was not established in the national health service or the social care system by the previous Government. I admit that this also applies to Governments before that, but it now needs to be cured. That is why we set out in this White Paper a series of principles that will govern the continuity regimes that we will set up to make sure that when individual providers fail, the people using the service have continuity in respect of it. We are fulfilling that same principle in what we are doing now to ensure that every single person looked after by Southern Cross continues to receive continuity of care.

Robert Halfon (Harlow) (Con): I welcome the White Paper in putting some flesh on the bones of the big society. Does my right hon. Friend agree that for the big society to work, it has to support the little society? Will he make sure that the community groups up for tender are not accessed only by the big Tesco campaigning charities so that genuinely local and grass-roots organisations will have an equal chance?

Mr Letwin: Yes, my hon. Friend is absolutely right. That is indeed a point we make very forcefully in the White Paper. It is our intention that a local community group should be able to get to work and do things itself either in its own local neighbourhood or as a service provider to individuals on its own basis in its own way. The means we use to achieve that is ensuring that, if the little providers are excluded from entry to the open opportunities we are creating, they will have redress.

Sheila Gilmore (Edinburgh East) (Lab): If local communities within a city or town decide that they want to take over the local park, how will the budgets be set, will they increase over time, and what will happen in respect of the possible residualisation of, say, the 50% of parks for which a viable service can no longer be run?

Mr Letwin: The hon. Lady appears to think that we are talking about amounts of money here, but what we are talking about is how the same amount of money is used. Whatever amount of money is being spent at the moment on a park, we say that the locals should have the right to challenge and to be able to take over the park if they can provide a proper way of running it themselves for the same amount of money—neither more nor less. I would have thought that the hon. Lady shared that ambition with me; it will not cause the problem she alludes to.

Steve Baker (Wycombe) (Con): I congratulate the Government on picking up the best of the Blair legacy for the purposes of these reforms. Like the Minister, I noted the observation of the right hon. Member for Dulwich and West Norwood (Tessa Jowell) that there was nothing new in the White Paper. What consideration have the Government given to the role of trade unions as providers and enablers, and does the Minister believe that they could provide such services for their members?

Mr Letwin: I hope very much that trade unions will play a role. In conjunction with Cabinet colleagues, I am holding a series of meetings with public service unions to discuss how they can help to design some of the details of the reforms so that they will work better.

Mr Andrew Love (Edmonton) (Lab/Co-op): The White Paper includes a commitment to promoting mutuals and co-operatives, but, as many Labour Members have pointed out, the rhetoric does not quite match the reality. The reality is that the diversity of which the

[Mr Andrew Love]

right hon. Gentleman talks does not include alternative structures. What will he do to enable mutuals and co-operatives to compete for public services on a level playing field with all the other organisations?

Mr Letwin: The Minister for the Cabinet Office and Paymaster General, my right hon. Friend the Member for Horsham (Mr Maude), is taking a series of steps not just to enable, but to promote mutualisation and co-operatives across the whole range of public services. *[Interruption.]* I beg the hon. Gentleman to give us a little time. That action is already beginning to work, and I think that in four years' time he will see a vast field of mutuals and co-operatives working constructively throughout public services.

We want to be strictly neutral. We want to favour providers of all kinds—mutuals, co-operatives, voluntary sector organisations, community groups, private sector bodies and, of course, the public sector itself—if they can provide the best possible services for users of those services. That is our aim.

Jesse Norman (Hereford and South Herefordshire) (Con): As chair of the all-party parliamentary group on employee ownership, I congratulate the Government on the White Paper. Might some thought be given—in addition to an asset lock—to the provision of a golden share in some of these enterprises? By giving some scope and protection in the short term, might that not allow more of them to be transferred into the mutual and employee-owned sectors?

Mr Letwin: My hon. Friend makes a good and interesting point, and there may well be cases in which that is the appropriate method. I know that he is a serious student of these matters. Perhaps when he has had time to read the White Paper, he would like to discuss where that idea might apply. We are certainly more than willing to entertain it.

Phil Wilson (Sedgefield) (Lab): The Minister said in his statement that the White Paper "sets out the most radical programme of transparency for Government and the public sector anywhere in the world." Will that apply to private sector companies and other organisations that might end up running public services?

Mr Letwin: It will apply to every public service provider, regardless of sector. We are interested not in who the provider is, but in whether the service provided is a good one. In every instance we will be totally transparent about the quality of services, and will enable people to make choices on that basis. If the private sector cannot match the voluntary or public sector, people will choose to take the offerings of one of those sectors, and that is as it should be.

Neil Carmichael (Stroud) (Con): I welcome the statement and the White Paper, and note the already enthusiastic interest in these matters in my constituency. Does the Minister agree that the transition from ideas to action will be best effected through co-operation and partnership between providers, professionals and users?

Mr Letwin: I think that my hon. Friend will be proved right in many cases. I hope that he will encourage just such co-operation in his constituency, as I will in mine. If there are any instances in which he feels that we could assist that process, we should be more than delighted to meet him and discuss how we can do so.

Fiona Mactaggart (Slough) (Lab): The Minister has made much of transparency and accountability, but if data are to enable citizens to hold public bodies to account they must be accessible in a consistent form, as, for example, crime maps are. What central guidance will the Minister establish to ensure that citizens have access to data so that they can hold public bodies to account?

Mr Letwin: The hon. Lady is absolutely right. Consumers, patients, pupils and all the other users of services cannot possibly be expected to make the choices we are going to enable them to make on an informed basis unless there are standardised data. That is why we are going to produce standardised satisfaction data in each public service so—*[Interruption.]* Yes, so people can see what is being provided and how happy, or unhappy, people are with the results. For example, patient-reported outcomes in the NHS are a vital component in patients making choices about where to go for their treatment, but information on that has been lagging for years. I know the previous Government were in principle in favour of that, but we will now bring them into action across the public services, as well as objective data in standardised form.

John Howell (Henley) (Con): May I refer back to the question of my right hon. Friend the Member for Charnwood (Mr Dorrell)? I used to advise the Gorbachev Government on glasnost and perestroika, and what was missing then was innovation from the grass roots up. Will my right hon. Friend the Minister therefore say a little more about the extent of the innovation that he is expecting to come from this?

Mr Letwin: My hon. Friend is absolutely right that there is no point in a system that does not allow genuine innovation. My hon. Friend the Member for Bournemouth West (Conor Burns) rightly made it clear in a previous question that the recent productivity record of the public services has been lamentable; their productivity has not increased commensurately with the increase in investment. Part of the reason for that is lack of innovation. In the most effective services across the world, there is continuous innovation, and that often comes from new small entrants. That is why the thrust of the White Paper is to promote and enlarge the scope for new entrants with new ideas to create innovations and more productive methods of doing things, which will, of course, result in the public's money being used better in providing the services people want.

John Pugh (Southport) (LD): It was an interesting statement, but is not the danger that the Government may get a great reputation for reorganising public services rather than actually running them? Why cannot the Government concentrate on the boring, unglamorous job of promoting efficient, accountable management? Indeed, the word "management" was curiously missing from the statement.

Mr Letwin: My hon. Friend is right in that I cannot recall a single instance in the White Paper of our referring to ourselves as "managing" public services. That is because we do not think Ministers are particularly good at managing things. We think Ministers and Governments are better at creating frameworks within which others, who are professionals, can manage things and be given the incentives to manage them best for those whom they are serving.

Stuart Andrew (Pudsey) (Con): During my time working in the hospice movement, I witnessed time and again that the independence of hospices enabled them to provide first-class care, and that parents of children in hospices would often say that they had set the benchmark for the care they had received. Will not the freeing up of public services from the Whitehall grasp enable them to learn from the hospice movement and provide first-class public services in this country?

Mr Letwin: My hon. Friend is absolutely right. The hospice movement provides an admirable example of much that is best about public service in our country, and we do, indeed, want to learn from it in many respects. We are, of course, trying to ensure that the method for funding the hospice movement always preserves its independence and ability to carry on providing the unbelievably good service it currently provides.

Duncan Hames (Chippenham) (LD): I am glad to hear the Minister's commitment to open data in improving public services, but he should beware of handing it over to organisations that treat public information as a commercial asset. Is he aware of the obstacles that Network Rail and train operators raise to thwart volunteers working with real-time train running data, despite their own dependence on public subsidy? Will he demand open access to that data, to promote service innovation?

Mr Letwin: Yes, it is our intention to open access to data and not simply to leave that as a proprietary matter. That is absolutely vital.

Mary Macleod (Brentford and Isleworth) (Con): I welcome the White Paper. As the funding will be following the child, the student and the patient, does my right hon. Friend agree that as well as giving more choice and power, money will be focused where there is real excellence in these sectors?

Mr Letwin: Yes, my hon. Friend is absolutely right. What we are about is trying to improve public services for all. By giving people choice and power, we enable the money to be focused, as she rightly says, on the places that are seen to be best by the service users, thereby increasing the proportion of public services that are excellent and gradually dragging up the average. Of course we also want to make sure that we do not have any coasting or substandard services, so she will also find that the White Paper contains a series of measures precisely to target providers that are consistently failing or consistently mediocre.

James Morris (Halesowen and Rowley Regis) (Con): Last Friday, I met representatives of a number of voluntary organisations across the black country. Does the Minister agree that it is precisely those groups that we need to energise to get involved in improving the delivery of public services in my constituency?

Mr Letwin: I do agree with my hon. Friend. It is vital that we energise the voluntary and community sector now, and the White Paper will show the sector a huge path forward. The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Ruislip, Northwood and Pinner (Mr Hurd), who has responsibility for civil society and who was here a moment or two ago, will shortly say more to the voluntary sector about the opportunities that the open public services White Paper framework provides for it.

Mr Philip Hollobone (Kettering) (Con): What opportunities will these proposals present to the more than 25 parish and town councils in my constituency to take over public services provided by the borough and county councils, either by themselves or together with other local groups?

Mr Letwin: My hon. Friend raises an interesting point and he will find in the White Paper that there is precisely the intention to give parish councils and neighbourhood councils, as they arise in places that do not currently have parish councils, much more ability to take over services and run them on behalf of local people. If he would like to discuss how we can take that forward, I am sure that, like me, the Minister of State, Department for Communities and Local Government, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), who has responsibility for decentralisation, would be delighted to discuss that with him.

Phone Hacking and the Media

4.16 pm

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): May I start by apologising to the Leader of the Opposition for the fact that he has only just received a copy of this statement? As he will find out, there was a development only about a half an hour ago that dramatically changed the contents of this statement—I have only just received my own copy—which is why we were not able to get him a copy in advance. *[Interruption.]*

Mr Speaker: Order. I want to hear the statement and I am sure that the House wants to hear it.

Mr Hunt: Mr Speaker, the events of last week shocked the nation. Our proud tradition of journalism, which for centuries has bravely held those in positions of power to account, was shaken by the revelation of what we now know to have happened at the *News of the World*. The perpetrators of those acts not only broke the law, but preyed on the grief of families who had lost loved ones either as a result of foul murders or giving their life for their country. I hope that the law shows no mercy to those responsible and no mercy to any managers who condoned such appalling behaviour.

As a result of what happened, the Prime Minister last week announced two independent inquiries to examine what went wrong and recommend to the Government how we can make sure that it never happens again. The first will be a full, judge-led, public inquiry into the original police investigation. Witnesses will be questioned under oath and no stone will be left unturned. As the Prime Minister announced on Friday, that inquiry will need to answer the following questions. Why did the first police investigation fail? What exactly was going on at the *News of the World,* and what was going on at other newspapers? The bulk of the work of this inquiry can be done only after the police investigation has finished, but we will start what we can now.

The second will be a separate inquiry to look at the culture, practices and ethics of the British press. In particular, it will look at how our newspapers are regulated and make recommendations for the future. That inquiry should start as soon as possible, ideally this summer. As the Prime Minister said, a free press is an essential component of our democracy and our way of life, but press freedom does not mean that the press should be above the law, and in announcing this inquiry the Prime Minister has invited views on the way the press should be regulated in the future.

I also have to make a decision about News Corporation's plans to buy the shares it does not already own in BSkyB. I know that colleagues on both sides of the House and the public at home feel very concerned at the prospect of the organisation that allegedly allowed these terrible things to happen being allowed to take control of what would become Britain's biggest media company.

I understand that in the last few minutes News Corporation has withdrawn its undertakings in lieu. On 25 January, I said I was minded to refer News Corporation's proposed merger with BSkyB to the Competition Commission in the absence of any specific undertakings in lieu. As a result of News Corporation's announcement this afternoon, I am now going to refer this to the Competition Commission with immediate effect and will be writing to it this afternoon—*[Interruption.]*

Mr Speaker: Order. Whatever opinion a Member has about this matter, it is a question of elementary courtesy that the Secretary of State should be heard.

Mr Hunt: Thank you, Mr Speaker. Today's announcement will be an outcome that I am sure the whole House will welcome. It will mean that the Competition Commission will be able to give further full and exhaustive consideration of the merger, taking into account all relevant recent developments.

Protecting our tradition of a strong, free and independent media is the most sacred responsibility I have as Culture Secretary. Irresponsible, illegal and callous behaviour damages that freedom by weakening public support for the self-regulation on which it has thrived. By dealing decisively with the abuses of power we have seen, hopefully on a cross-party basis, the Government intend to strengthen and not diminish press freedom—*[Interruption.]*

Mr Speaker: Order. The Secretary of State must be heard.

Mr Hunt: The Government intend to strengthen and not diminish press freedom, making this country once again proud and not ashamed of the journalism that so shapes our democracy.

Edward Miliband (Doncaster North) (Lab): I accept the Culture Secretary's apology for the late notice of his statement, but the truth is that it points to the chaos and confusion at the heart of the Government. After what we have heard and the questions that have been left unanswered, we all know that it is the Prime Minister who should be standing at the Dispatch Box today. It is quite wrong that he chose to do a press conference on Friday in Downing street about the issues but is unwilling to come to the House today. Instead, he chose to do a press conference at Canary Wharf, just 20 minutes down the road.

The Culture Secretary has no direct responsibility for the judicial inquiry that he talked about, and he has no direct responsibility for the police and the relationship with the media, but he has been left to carry the can by a Prime Minister who knows there are too many difficult questions for him to answer. It is an insult to the House and to the British public.

Let me ask the Culture Secretary a series of questions. First, on the subject of the judge-led inquiry, as soon as an inquiry is established, tampering with or the destruction of any documents becomes a criminal offence. We already know that is relevant to the offices of the *News of the World*. It may also be relevant to any documents in No. 10 Downing street and Conservative headquarters. Will the Culture Secretary—*[Interruption.]*

Mr Speaker: Order. I said a few moments ago that the Secretary of State must be heard. The same goes for the Leader of the Opposition, and if Members are chuntering away or, worse, shouting, they had better stop it.

Edward Miliband: Will the Culture Secretary now agree that the judge-led inquiry should be established immediately? Any less means there is a risk that evidence will be destroyed.

Will he also confirm that the inquiry will be set up under the Inquiries Act 2005 so it can compel witnesses to attend? The inquiry must have the right terms of reference, including the unlawful and unethical practices in the newspaper industry and the relationship between the police and certain newspapers. Neither of those issues were in the terms of reference implied by the Secretary of State in his statement. Can he confirm that all these issues will be in the terms of reference?

Secondly, let me talk about BSkyB. Let us be clear: the trouble that the Government are in is of their own making. Any changes they make are not because they have chosen to do so but because they fear defeat in the House on Wednesday evening. The Culture Secretary chose not to follow the recommendation of Ofcom to refer this bid to the Competition Commission and he has been insisting for months that he can proceed on the basis of assurances from News Corporation. On Friday, the Prime Minister said the same. Now the Culture Secretary has adopted the very position he has spent months resisting—and the confusion continues. The Deputy Prime Minister has joined the call I made yesterday for Rupert Murdoch to drop the bid. On BSkyB, the Government are in complete disarray. Does the Deputy Prime Minister speak for the Government? If so, is the Culture Secretary now asking Rupert Murdoch to drop the bid? Can the Culture Secretary now assure us that on the basis of his new position, no decision will be made on the BSkyB bid until the criminal investigation into phone hacking is complete? Nothing else can give the public the confidence they need.

Thirdly, will the Culture Secretary state his position to the House on the need for responsibility to be accepted at News International? The terrible hacking of Milly Dowler's phone happened on Rebekah Brooks's watch, while she was editor of the *News of the World*. Last Wednesday, the Prime Minister refused to say she should go, and on Friday all he offered were weasel words. Will the Culture Secretary say what the Prime Minster refused to—that Rebekah Brooks should take responsibility for what happened on her watch and resign from her post?

Fourthly, given the role of Andy Coulson in relation to phone hacking and other allegations of illegality, will the Culture Secretary clarify the following—*[Interruption.]* Government Members should listen to what I am saying because it is relevant to victims up and down the country. On Friday at his press conference, the Prime Minister said, about the appointment of Andy Coulson:

"No one gave me any specific information."

Yet Downing street has confirmed that *The Guardian* newspaper had discussions with Steve Hilton, the Prime Minister's senior aide, before Andy Coulson was brought into government. Those conversations detailed Mr Coulson's decision to rehire Jonathan Rees—a man who had been jailed for seven years for a criminal conspiracy and who is alleged to have made payments to the police on behalf of the *News of the World*. This serious and substantial information was passed by Steve Hilton to the Prime Minister's chief of staff, Mr Ed Llewellyn. The information could not have been more specific. Now, can the Culture Secretary tell us whether Ed Llewellyn, the Prime Minister's chief of staff, told the Prime Minister about this evidence against Mr Coulson, or are we seriously expected to believe that Mr Llewellyn, an experienced former civil servant, failed to pass any of this information on to the Prime Minister? Frankly, that beggars belief as an explanation. This issue goes to the heart of the Prime Minister's integrity and we need answers from the Culture Secretary.

Can the Culture Secretary now tell us whether it is true that the Prime Minister also received warnings from the Deputy Prime Minister and the former leader of the Liberal Democrats, Lord Ashdown, about bringing Andy Coulson into government? Unless the Prime Minister can explain what happened with Mr Coulson and apologise for his terrible error of judgment in appointing him, his reputation and that of the Government will be permanently tarnished.

The Prime Minister was wrong not to come to the House today. As on every occasion during this crisis, he has failed to show the necessary leadership that the country expects. He saw no need for a judicial inquiry, he saw no need to change course on BSkyB and he has failed to come clean on Andy Coulson. This is a Prime Minister running scared from the decisions he made. This is a Prime Minister who is refusing to show the responsibility the country expects. The victims of the crisis deserve better, this House deserves better and the country deserves better.

Mr Hunt: Let me tell the Leader of the Opposition about what the Prime Minister has done—*[Interruption.]*

Mr Speaker: Order. I want everybody who wants to contribute to these exchanges to have the chance to do so, but people who shout and scream cannot then expect to be called, and it is a rank discourtesy. It must stop on both sides of the House.

Mr Hunt: We are fighting a war. The Prime Minister arrived back from Afghanistan at around 10 o'clock last Tuesday night. By Wednesday lunchtime he had established two public inquiries. That is doing more in less than one week than the right hon. Gentleman's party did in eight years.

The right hon. Gentleman talked about Andy Coulson. He should be very careful not to be someone who throws sticks in glass houses. In his comments he criticised me for being willing to accept assurances from News Corp. He was willing to accept assurances from the very same people about Tom Baldwin.

Let me answer some of the right hon. Gentleman's specific questions. Tampering with evidence does not need a judge-led inquiry to be set up. It is a criminal offence now. We are moving as fast as we can to set up a judge-led inquiry into all the actions that were illegal or improper. We also want to set up an inquiry, with cross-party support—hopefully—to look into the unethical behaviour by the press, and we want that to start work immediately. Inquiries into illegal actions have to wait until after police investigations are complete. We are willing to talk to the right hon. Gentleman in order to get some kind of cross-party consensus so that that can happen as soon as possible. I said in my statement that we would like that to start as soon as this summer.

[Mr Jeremy Hunt]

With respect to the BSkyB decision, I have at every stage in this process followed the procedures laid down in the Enterprise Act 2002 that was passed by the right hon. Gentleman's Government. Not only that, but I have done more than those processes require, because at every stage I have asked for independent advice from the expert media regulator, Ofcom, and after careful consideration at every stage I have followed that advice.

Let me say gently to the right hon. Gentleman that he needs to show some humility in this matter. He attended Rupert Murdoch's summer party and failed to bring up the matter of phone hacking. He was part of a Cabinet—*[Interruption.]*

Mr Speaker: Order. I want to hear the answer.

Mr Hunt: He was part of a Cabinet which, according to the then Culture Secretary, discussed phone hacking and decided not to act, and we now know why. According to the autobiography of Tony Blair's chief of staff, Jonathan Powell,

"We first started discussing...the failed relationship between the media and politics in 2002...We discussed the issue back and forth for the next three years, but Tony never felt the moment was right to speak out...Gordon, who was courting the press, had no intention of agreeing to anything that might upset them."

Now is not the time for party political posturing. We have all failed—politicians, journalists and media owners—and we must all work together to put the problem right.

Oliver Heald (North East Hertfordshire) (Con): Does my right hon. Friend agree that it is vital in his role that he should act within the law, taking independent advice—legal advice—because if he does not, any decision that he makes can be attacked in court? Does he agree that it is all very well for the Opposition to make their points today, but the spirit in the House last week was that there were faults on all sides and that we ought to do what is in the interests of the country? Does he agree that the Leader of the Opposition has betrayed that today?

Mr Hunt: I completely agree with my hon. Friend. If we are to tackle this very serious cancer that we have seen in our society in the past week, we need a responsible attitude from Members on both sides of the House, and if we are worried about newspapers getting above the law, Ministers need to set an example and ensure that they do not get above the law themselves.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): I am surprised that we have the monkey at the Dispatch Box and not the organ grinder—*[Interruption.]*

Mr Speaker: Order. Members are entitled to their own views on taste. There has been no breach of order.

Alan Johnson: The Prime Minister said on Friday that he received no "specific" information, but it is clear that that information was passed to Ed Llewellyn. If Ed Llewellyn failed to pass that information to the Prime Minister, will he be sacked or given "a second chance"?

Mr Hunt: I take being called a monkey very seriously, because in my wife's country they used to eat them.

With regard to what the Prime Minister did or did not know, he will answer for himself, but he has said that he takes full responsibility for the decisions he took and that he had no knowledge of any illegal of criminal activity by Andy Coulson when he decided to employ him.

Simon Hughes (Bermondsey and Old Southwark) (LD): Will the Secretary of State, whose behaviour so far on this matter has been beyond reproach, pass on to the Government and the leader of the Conservative party the request that they join my party in asking Rupert Murdoch to withdraw his bid, and will he confirm that it is entirely appropriate for the regulator, Ofcom, to consider illegality by any of the people employed by any title owned by News Corporation, meaning all its newspapers and not just the *News of the World*?

Mr Hunt: My right hon. Friend has asked a question that I cannot answer, because every Member of the House can have a view on whether the takeover should go ahead or be withdrawn except me, as I have a quasi-judicial role and so I am unable to prejudge the decision by making a comment. With regard to illegality and the requirement under the Broadcasting Act 1990 that all people holding broadcasting licences be fit and proper, I wrote to Ofcom this morning to ask whether it stood by its original advice that the deal could go ahead, in view of the matters that came to light last week and had News Corporation not withdrawn its undertakings today. I am pleased to say that, with this referral to the Competition Commission, all those issues will be considered properly and fully.

Margaret Beckett (Derby South) (Lab): Does the Secretary of State not recognise that at a time when wrongdoing was being very strongly alleged, and even more strongly denied, the Prime Minister's decision then to appoint Andy Coulson to No. 10 as director of communications reinforced the credibility of what we now know to be unjustified denials of wrongdoing? Is that not why the Prime Minister should be here today?

Mr Hunt: With respect to the right hon. Lady, there are all sorts of things that this Government and the previous Government have done that we might now review in the light of the allegations that have emerged in the past week. That is why it is incredibly important that we have these two public inquiries to get to the bottom of press ethics, which is why we are trying to ensure that we grapple with the problem and sort it out, rather than sit on it for a very long time.

Louise Mensch (Corby) (Con): In 2003 the predecessor of the current Culture, Media and Sport Committee, of which I am a member, warned of deplorable practices in the media, including payments by journalists to the police, and called for an inquiry. Does my right hon. Friend agree that we should have had an inquiry at that time?

Mr Hunt: Hindsight is a wonderful thing and I think that everyone will be reflecting on what has happened. In the last Parliament there were two Select Committee inquiries on the matter and two reports by the Information Commissioner stating that things were wrong and needed

to be sorted out, but nothing happened. Let us hope that as a political class we are up to the challenge of sorting things out this time.

Mr Jack Straw (Blackburn) (Lab): Extraordinarily, the Secretary of State has come to the House without any briefing whatsoever to give further and better particulars behind the Prime Minister's statement on Friday that he had—very careful words—no "specific" knowledge that Mr Andy Coulson had appointed a known criminal to work at the *News of the World*. Given the absence of a briefing today, does the Secretary of State accept that it is his duty to go back to the Department and to Downing Street and insist that a full, detailed chronology of who informed whom—or failed to inform whom—by name and what they said is published by the close of play today?

Mr Hunt: I believe that the Prime Minister is a man of honour and integrity, and when he says that he had no knowledge of that particular episode, I believe him.

Duncan Hames (Chippenham) (LD): It is regrettable that undertakings that the Secretary of State had previously secured have been withdrawn today, but will he tell the House why, under the Competition Commission referral, it is possible for the "fit and proper person" test to be applied in the decision?

Mr Hunt: I will tell my hon. Friend why that is the case. Typically, when there is a referral to the Competition Commission, it could decide to block the deal entirely or it could negotiate undertakings, circumstances and conditions under which it would consider it acceptable for the merger to go ahead. The Competition Commission is considering media plurality, just as I did. It is not considering broader competition issues, but if as part of that consideration it decided to accept any undertakings, it would want to be sure that they were credible, which is why compliance with the "fit and proper person" requirements of the Broadcasting Act 1990 will be extremely important.

Mr Ben Bradshaw (Exeter) (Lab): Did the Secretary of State know about the dinner involving the Prime Minister, James Murdoch and Rebekah Brooks two days after he was handed responsibility for this policy area? Why, shortly after that dinner, did he abandon the previous approach by the Business Secretary and reject Ofcom's clear recommendation to send the matter to the Competition Commission?

Mr Hunt: I did not know about the dinner, and I did not reject Ofcom's recommendation. If the former Culture Secretary had been listening to my statement, he would know that I actually accepted its recommendation. On 25 January, I wrote to News Corporation saying that I was minded to accept what Ofcom was recommending, namely a referral to the Competition Commission.

Anna Soubry (Broxtowe) (Con): No party cosied up to the Murdoch press as much as the Labour party, and the Press Complaints Commission has been an inadequate, toothless body for far too long. Does the Secretary of State think that there is some connection in the failure of the previous Government to sort out the PCC, and will this Government take on that task?

Mr Hunt: My hon. Friend is absolutely right. I am sorry to say—and I am sure that she will agree with me—that the Leader of the Opposition got his tone absolutely wrong. The shameful events of last week are something for which both sides of the House need to take their share of responsibility, and, working together, both sides of the House can make sure that we sort them out so that they never happen again.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I remind the right hon. Gentleman that on 11 March 2003, Rebekah Brooks told the Select Committee on Culture, Media and Sport under my chairmanship:

"We have paid the police for information",

thereby admitting a criminal offence? She was then editor of *The Sun*, having just been editor of the *News of the World*. How is it possible for someone with that background to become chief executive of an organisation and for that organisation's bid to be accepted or even not brushed away totally?

Mr Hunt: What I would say to the right hon. Gentleman is how is it possible, when that happened under his Government, for them to do absolutely nothing about it for eight years?

Sajid Javid (Bromsgrove) (Con): I warmly welcome my right hon. Friend's statement. Will he confirm that any police investigation into this matter will cover the media practice of blagging?

Mr Hunt: I confirm to my hon. Friend that the intention is that the judge-led inquiry will cover all illegal and improper activity, and I am particularly keen that it should cover the practice of blagging, which is at the heart of many of the problems that we have been finding out about in the past week.

Mr Tom Watson (West Bromwich East) (Lab): As head of Operation Abelard, John Yates would be aware of paperwork showing convicted private investigator Jonathan Rees discussing the use of covert surveillance techniques, including computer hacking, with a close associate of Rebekah Brooks, Mr Alex Marunchak. Rees, while serving time in prison, discussed his contact with reporters from *The Sunday Times*. Far from this scandal being about wrongdoing at the *News of the World*, it is a story of institutional criminality at News International. John Yates' review of the Mulcaire evidence was not an oversight. Like Andy Hayman, he chose not to act. He misled Parliament. He misled readers of *The Sunday Telegraph* only yesterday. Does the Secretary of State agree that his position is untenable?

Mr Hunt: With great respect to the hon. Gentleman, who I commend for his tenacious campaign in this area, I do not think that that is a judgment that I, as Culture Secretary, should make. However, all the practices that he describes must be dealt with properly, in terms of both the specific criminal acts and the changes necessary to make sure that they do not happen again. He made one very important reference, in particular, when he pointed out the issue of computer hacking. We have to be very careful to act with sufficient thoroughness to make sure that we do not find that e-mail hacking becomes the next big scandal.

Charlie Elphicke (Dover) (Con): Between 2003 and 2010, successive reports set out that there were serious problems. Can the inquiry cover the relationship between the media and the Government to look at why action was not taken before now?

Mr Hunt: Yes.

Pete Wishart (Perth and North Perthshire) (SNP): On behalf of the Scottish National party, we welcome the public inquiries and the referral back to the Competition Commission. Does the Secretary of State agree that there has been a systematic failure of successive Westminster Governments when it has come to the whole field of the regulation of the press? As long ago as 2006, the Information Commissioner found more than 3,000 breaches of data protection, but nothing was done. How can we have any faith that this House will in future get its press regulation fixed?

Mr Hunt: It is stretching it a bit to say that this is a Westminster issue and not something that affects the whole of the United Kingdom. We have to sort it out, and we are absolutely determined to do so.

Mrs Eleanor Laing (Epping Forest) (Con): The House fully appreciates why the Secretary of State cannot give his opinion on the BSkyB matter. Is he aware that the vast majority of people out there in the country are not the least bit interested in party political point-scoring, but believe that if Mr Murdoch had any decency at all, he would withdraw his bid for BSkyB?

Mr Hunt: As I said in my statement, I completely understand the horror with which many people viewed the thought of a company allegedly responsible for these appalling actions taking over what would become Britain's biggest media company. I completely understand where the public are on that. We now have a lengthy process that will get to the bottom of the media plurality issues. If any of the appalling events that have come up in the past week are linked to media plurality, I am sure that they will be considered in their entirety.

Chris Bryant (Rhondda) (Lab): I hope that the whole House will, like me, be scandalised by the facts that are emerging this afternoon about the former Prime Minister's son's medical records having been targeted by other newspapers in the News International stable.

One of the biggest problems that we have is that the police failed to act systematically. Assistant Commissioner Yates repeatedly lied to Parliament. He said that there were very few victims. He said that all the victims had been contacted. He said that all the mobile phone companies had been put on notice in relation to this. All of these things are lies, as he seems to have admitted in yesterday's edition of *The Sunday Telegraph*, and yet he has not had the decency to apologise to this House or, for that matter, the decency to apologise at all—surely he should. He is in charge of counter-terrorism in this country, for heaven's sake. Surely he should resign.

Mr Hunt: I completely understand the hon. Gentleman's anger on that issue, but obviously parliamentarians cannot tell the police what to do because we have the separation of powers. However, the judge-led independent inquiry will look fully at the way in which the police have behaved and it will get to the bottom of this. We must give it our full support.

Mr Don Foster (Bath) (LD): The House will have noted in the Labour leader's contribution the complete absence of any reference to the repeated failure by the Labour Government, despite repeated warnings to act in this area. Will my right hon. Friend confirm that, notwithstanding what has been announced today, which is frankly little more than another ruse by the Murdoch empire, there is nothing to prevent Ofcom from now investigating whether the Murdoch empire is fit and proper to own the 40% of BSkyB shares that it owns?

Mr Hunt: Ofcom is at liberty to investigate the "fit and proper" issue in the Broadcasting Act 1990 at any time. It will have to investigate that issue to see whether it is relevant to the potential acceptance of any undertakings subsequent to a Competition Commission inquiry. Those issues will therefore be looked at thoroughly and carefully.

Keith Vaz (Leicester East) (Lab): Will the Secretary of State confirm that the Home Affairs Committee and the Culture, Media and Sport Committee, both of which have held inquiries into these matters, will be consulted about the terms of reference of the public inquiry? I have just received a letter from the Director of Public Prosecutions confirming his view on the law of phone hacking. I see that the Attorney-General is beside the Secretary of State. Is it the Government's view that we should take the narrow interpretation of the law, as championed by the Metropolitan police, or the wider interpretation, as championed by the DPP?

Mr Hunt: The right hon. Gentleman will understand that that question is slightly above my legal pay grade. It is not for the Government to take a view on that matter, but for the courts. If the courts take a view that is not consistent with what we want to see, we are at liberty, as a Parliament, to change the law to ensure that the courts interpret it in the way that we want.

Stephen Hammond (Wimbledon) (Con): The previous Administration ignored reports from the Information Commissioner about 300 journalists across the national media being involved in illicit practices to gain information. Will the Secretary of State confirm that the inquiry he is setting up today will look across the national media and consider wider issues than just phone hacking?

Mr Hunt: Absolutely; we need to look at the kind of problems we may face in the information age, which might be very different from the tragic problems that were reported last week. We will look at all those issues. We recognise that our press has some of the finest traditions in the world, but has fallen sadly short of them. We want to do everything possible to ensure that we go back to having the finest journalism in the world.

Mr Michael Meacher (Oldham West and Royton) (Lab): Given that the criteria for media plurality are so narrowly drawn that they exclude such critical issues as the capacity to distort competition through cross-promotion, price bundling and preventing rivals from advertising, why cannot the Secretary of State use the delay created by the police investigation and sorting

through 150,000 responses to the consultation to modernise the criteria for media plurality, either through a one-clause Bill or through an amendment to the communications legislation?

Mr Hunt: The issue of media plurality is not as narrowly drawn as the right hon. Gentleman might think. All the issues he talked about can be considered in so far as they affect media plurality. What we cannot consider under the Enterprise Act 2002 are competition issues, which are considered separately. In this case, they were decided by the European Union. We recognise that the law on media plurality needs to be looked at. Some of the processes that have come to light in the past few months have caused Ofcom to question whether the law is right on protecting media plurality, which we all think is very important. We will consider that as part of the communications Bill that we propose to bring before the House in the second half of this Parliament.

Conor Burns (Bournemouth West) (Con): Did my right hon. Friend in recent days take any advice on the potential legal consequences had he, as Secretary of State, followed the advice given in public by the Leader of the Opposition? If he did seek such advice, did it suggest that had he followed the advice of the Leader of the Opposition, he would have sought to place himself above the law?

Mr Hunt: My hon. Friend is right that had I, as was suggested by the Opposition on a number of occasions, immediately referred the matter to the Competition Commission without going through due process, I would have exposed the Government to potentially successful judicial review. I think it is incredibly important, when people are concerned about newspapers putting themselves above the law, that the Government do not do so.

Mr David Winnick (Walsall North) (Lab): Can I bring the Secretary of State back to earlier questions? Is it not an amazing situation when an organisation admittedly involved in criminality can even be considered for further ownership of the media? No one outside this place can really understand that. It is surely a matter for punishment, not for reward.

Mr Hunt: The hon. Gentleman will be relieved to know that there is indeed a very important responsibility to ensure that everyone who holds a broadcasting licence is fit and proper. However, that is a responsibility not for politicians but for the independent regulator, Ofcom, which I know will discharge its responsibilities very carefully in that respect.

Steve Baker (Wycombe) (Con): Do the Government agree with me that the best way to improve media plurality and break the excessive power that has led to such repulsive behaviour is to eliminate all barriers to entry into the media market?

Mr Hunt: We want to encourage investment in the UK media sector in any way we can. I have to admit that right now, how to do that has not been at the top of my mind, but I agree that we want to stimulate plurality. The arrival of the internet makes that possible in a much lower-cost way than would otherwise have been the case.

Mr Dennis Skinner (Bolsover) (Lab): Is it not convenient that this absent Prime Minister has been able to dodge the real questions—what did he know about criminal activities from Murdoch, when did he know it, and is it not time, based upon the British public's reaction, that we sent this non-tax-paying Murdoch back whence he came and, for the final humiliation, got the Secretary of State for Energy and Climate Change to drive him to the airport? *[Laughter.]*

Mr Hunt: I am not sure how I can follow that, but suffice it to say that the hon. Gentleman has the chance every Wednesday to ask the Prime Minister any question that he chooses.

Jo Swinson (East Dunbartonshire) (LD): The Secretary of State understands the huge public concern not just about the plurality issues of the BSkyB takeover but about the criminal and unethical behaviour of Murdoch's News International. I welcome the Secretary of State's assurance that the "fit and proper person" test can be taken into account by the Competition Commission, but as he has said, it is Ofcom's responsibility. In a letter on Friday, it seemed to say that it was reluctant to act while police investigations were ongoing, for fear of prejudicing them. Can the Secretary of State confirm that if the "fit and proper person" test cannot be resolved while the police are still investigating, he will make no decision until the criminal investigations are complete?

Mr Hunt: I have to inform my hon. Friend that I am not legally allowed to put a pause in the process until any criminal proceedings have come to a conclusion. However, I will take as much time as I need. I am very well aware of public concern on this issue. The Competition Commission will report in six months' time, and there will then be a subsequent period of intensive discussions. During that period I am very hopeful that we will properly resolve the "fit and proper person" issue, because I am aware of how important it is to Members of all parties.

Helen Goodman (Bishop Auckland) (Lab): One of the reasons for operating a positive vetting system in Whitehall is to see whether officials might be susceptible to blackmail. Following the horrific revelations from News International, it appears that Mr Coulson would be a prime candidate for blackmail. Was he positively vetted?

Mr Hunt: I am afraid that I do not know the answer to that question.

George Eustice (Camborne and Redruth) (Con): May I welcome the decision to review the regulation of the media, which is central, long-term, to raising standards and restoring faith in journalism? However, is the Secretary of State aware that for the best part of 10 years, Alastair Campbell invited the Labour party to do just that—to review the regulation of the media—but that it failed to do so throughout its term in office?

Mr Hunt: My hon. Friend is absolutely right, which is why, with the greatest respect, I think the Opposition have got their tone completely wrong this afternoon. We have an opportunity to do something that many

[Mr Jeremy Hunt]

Opposition Members in their hearts know should have been done a very long time ago. We are determined to do that, and I would encourage them to work with the Government to ensure that this time, we get it right.

Mr George Howarth (Knowsley) (Lab): In view of the fact that the Secretary of State has a quasi-legal responsibility in some of these matters, why is he making this statement?

Mr Hunt: Just because I have a quasi-judicial role does not mean that I am not able to announce to Parliament important developments in the exercise of that role, which is what I have done this afternoon with, I see, Mr Speaker's approval.

Mr Speaker: I was not expressing approval or disapproval; I was just nodding benignly, as is my way.

Greg Hands (Chelsea and Fulham) (Con): When it comes to the wider inquiry, could we ensure that the press practice of blagging is included? It appears to mean using subterfuge and pretence to gain access to confidential and other personal information, and it has been alleged of other newspapers, including by a journalist who now works for the Leader of the Opposition.

Mr Hunt: We must absolutely ensure that we do everything necessary to stamp out blagging. One of the most awful parts of this whole process is that we have discovered just how easy it is. In that respect, I would add that I believe that the role of phone companies is very important as well. They need to ensure that they are co-operating fully to ensure that it stops.

Mr David Hanson (Delyn) (Lab): Could the Secretary of State advise me—if he cannot do so today, he could report back in future—whether the Prime Minister or any member of the Government has discussed these extremely serious allegations with Mr Coulson, or with Rebekah Brooks, since his resignation from the Downing street office in January of this year?

Mr Hunt: The Prime Minister has said that he has not spoken to Andy Coulson since he resigned his position—*[Interruption.]*

Mr Speaker: Order. The House has heard what has been said—*[Interruption.]* Order. I call Mr Christopher Pincher.

Christopher Pincher (Tamworth) (Con): Does my right hon. Friend think that it is a great pity that the very fine and bipartisan speech made last Wednesday by the hon. Member for Rhondda (Chris Bryant) was not repeated today by the Leader of the Opposition? Does not the contrast between those two speeches demonstrate who is the better and more thoughtful man on this issue?

Mr Speaker: Order. I am sure that the Secretary of State will want to focus not on character assessment and comparisons in relation to it, but on phone hacking and the media.

Mr Hunt: Any character assessment should be done by someone independent—as we have been discovering, independence is important.

May I take this moment to correct what I said earlier to the right hon. Member for Delyn (Mr Hanson)? I believe that what the Prime Minister said was that he has not spoken to Andy Coulson recently.

Mr Denis MacShane (Rotherham) (Lab): I do not think that the Secretary of State or the Leader of the Opposition were in the House about a decade ago, when there were quite a lot of references to, and discussions about, the occult financing of the Tory party by the then Mr Michael Ashcroft in Belize. That was quite properly investigated by *The Times* newspaper. Since then, the now Lord Ashcroft has had his second chance—we should leave it at that. In the second inquiry, will the Secretary of State focus a bit on how we can have an ethics of journalism that protects not us, but the little person? Those are the ones who are destroyed by *The Sun*, *The Mail on Sunday*, the *News of the World* and all those foul practices.

Mr Hunt: I am not quite sure that I understand the first and second halves of the right hon. Gentleman's question, but let me just say that the second inquiry will absolutely concentrate on the ethics of the press. The lesson from last week is that what changed the public mood was the fact that phone hacking moved from being something that affected celebrities and politicians to something that tragically affected members of the public.

Alun Cairns (Vale of Glamorgan) (Con): Does the Secretary of State regret that such serious and grave matters have been used for party political point scoring? Will he reassure the House that the investigations from hereon will still contain an invitation to the Leader of the Opposition to contribute constructively to such an important debate that is in all our interests?

Mr Hunt: I absolutely give that assurance to the House because we want to solve this problem. The Leader of the Opposition has to make up his mind whether he wants to continue with his party political posturing or tackle this problem in the national interest.

Toby Perkins (Chesterfield) (Lab): Is it not a disgrace that the Secretary of State has come here to make a statement without basic answers to the questions being asked? He does not even know about conversations between Andy Coulson and the Prime Minister that anybody who reads a paper would have known. Why is the Prime Minister not here? What is his engagement that is more important than this House?

Mr Hunt: The Prime Minister is not here because today we have had an incredibly important development in a decision for which I am responsible. I therefore thought it important, as did he, that I came to speak to the House.

John Cryer (Leyton and Wanstead) (Lab): The Secretary of State will be aware that, in his statement last Friday, the Prime Minister said that he commissioned a company to do a basic background check on Andy Coulson, but

he omitted to name the company. I am sure that it was a perfectly innocent omission, but will the Secretary of State place those details in the Library of the House this afternoon?

Mr Hunt: I will pass on the hon. Gentleman's request to the Prime Minister.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I have a relatively simple question: did the Prime Minister's chief of staff, Ed Llewellyn, pass on details of the allegations of criminal activity to the Prime Minister? If the Secretary of State cannot answer that question, will he write to me to let me know?

Mr Hunt: The Prime Minister has said that he had no knowledge of any illegal activity by Andy Coulson before he offered him the job in Downing street.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): You might recall, Mr Speaker, that on 27 April, I led an Adjournment debate in the House on the inadequacies of press self-regulation. Sadly that debate was very thinly attended. I learned from other Members afterwards that a lot of Members did not want to participate in case they were then targeted by the press. What reassurance can the Secretary of State give us that the review of press regulation will be free of intimidation?

Mr Hunt: The best reassurance I can give to the hon. Gentleman is the fact that the inquiry into illegal activity—and certainly the kind of pressure he is talking about would be illegal—will be conducted by a judge who will, without fear of favour, look at everything that has happened and make recommendations to ensure that it stops.

Helen Jones (Warrington North) (Lab): Further to the Secretary of State's answer to my right hon. Friend the Member for Delyn (Mr Hanson), now that he has said that the Prime Minister has not spoken to Andy Coulson "recently", will he undertake to place in the Library a log of any meetings and phone calls between the Prime Minister and Andy Coulson since his resignation from Downing street?

Mr Hunt: I will happily pass on the hon. Lady's request to the Prime Minister, who will make a decision on what he wishes to place on the public record.

Diana Johnson (Kingston upon Hull North) (Lab): Due to the confusion about who knew what and when in Downing street, is it not about time that the Cabinet Secretary was asked to conduct a review and get to the bottom of who knew what and when?

Mr Hunt: With respect to the hon. Lady, we have two independent reviews, one of which is looking into all illegal and improper activity, and the other of which is looking into press ethics. I think that all the activities about which she is concerned will be covered.

Sheila Gilmore (Edinburgh East) (Lab): The Secretary of State indicated at the beginning of his statement that he had been late in preparing the statement because something had happened within the past half hour. He then went on to say that he was here instead of the Prime Minister because an important development had taken place. However, we were given to understand two or three hours ago that it would indeed be the Secretary of State making the statement. Surely these statements do not square.

Mr Hunt: Had News Corporation not withdrawn its undertakings half an hour before I spoke, I would have had another important announcement—one that is no longer valid—to make to the House about the operation of those undertakings. That is why the Prime Minister said that I was the appropriate person to make this statement.

Kerry McCarthy (Bristol East) (Lab): Little has been said today about the practice of journalists giving illegal backhanders to police officers and perhaps even to royal protection officers, which seems to be prevalent from the *News of the World* down to the smallest local paper. It is disappointing that the Home Secretary is not here for this debate. May we have assurances from the Secretary of State that before Parliament goes into recess we will get a statement from the Home Secretary about what actions she has taken to stamp out this practice and ensure that any police officers involved are held to account?

Mr Hunt: I hope that what I have announced today will reassure the hon. Lady, because we are having a judge-led inquiry that will look into all illegal and improper activities, including the kind of activities that she has mentioned. That inquiry will be statutory, and it will have the ability to compel witnesses, who will speak under oath, so we will get to the bottom of the kind of activities that she describes and ensure that we stamp them out.

Paul Blomfield (Sheffield Central) (Lab): Does the Secretary of State agree that it was wrong for ordinary staff at the *News of the World* to have been sacrificed in an effort by News International to protect those at the very top of the organisation who were really responsible for the scandal at that newspaper? Does he therefore agree that Rebekah Brooks should resign from her post forthwith?

Mr Hunt: I think everyone should be held to account for their actions, whether they are the people personally responsible for phone hacking or the people who authorised it.

Points of Order

5.10 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. One hon. Member has already referred to 11 March 2003. Also on that day, Andy Coulson and Rebekah Brooks appeared before the Culture, Media and Sport Select Committee and cited the Milly Dowler case as a prime example of good co-operation between the press and the police. In retrospect, that seems one of the most disgusting pieces of cynical manipulation of a Select Committee ever. In addition, there has subsequently been a series of lies by News International and by the Metropolitan police to Select Committees of this House. That means that Members from all parties have been led a merry dance. That is partly because witnesses are not required to give evidence on oath, and we are therefore unable to pursue someone for perjury if they have lied to a Select Committee.

There is now, however, going to be a judge-led inquiry in which the witnesses will have to give evidence on oath. Mr Speaker, can you ensure that it is perfectly possible for that inquiry to look at the issue of whether lies were told to Parliament, which might otherwise be covered by privilege—*[Interruption.]* I hear what the Clerk is saying, and I disagree with him. I urge you to disagree with him as well, because it is important that the judge-led public inquiry should be able to look at how Parliament could be so grossly misled, how Members could be intimidated and how people could refuse to give evidence. If that were to happen, we might come up with a stronger Parliament that is able to deal better with issues such as these in the future.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, but he is somewhat inclined to invest me with powers that I do not possess. Although it is generous of him to make that attempt, I think that in all wisdom, I should resist it. I will happily reflect on the particular points that he makes, but I would emphasise to him and to the House that there is a distinction between what the Chair can do and what the House as a whole can decide to do. The hon. Gentleman will know that a Member who wishes to raise a privilege complaint —he did not use those words, but I think that that concept was there in his point of order—is required to give me written notice. That is provided for on page 273 of "Erskine May". I understand, as I think the House now will, that the Select Committees involved in this matter—the Home Affairs Committee and the Culture, Media and Sport Committee—are themselves pursuing the matter. As the hon. Gentleman also knows, the Chair does not intervene in matters before Committees of the House. I must also add that it is of course always open to a Committee to report to the House on any matter it wishes, but that is a matter for the Committee and not for the Chair to decide. I will leave it there for today.

Several hon. Members *rose—*

Mr Speaker: In a moment. Patience will be rewarded. I call Mr Hilary Benn.

Hilary Benn (Leeds Central) (Lab): On a point of order, Mr Speaker. Could you advise the House whether you received any indication earlier today from the Prime Minister as to why he was unable or unwilling to come to the House this afternoon to make the statement that we have just heard? His refusal to do so means that the House has had no opportunity to question him about these matters, whereas last Friday he gave the press the chance to do that in a press conference. Is not that a gross discourtesy to the House? Furthermore, given the number of questions asked of the Secretary of State this afternoon that he was unable to answer—I feel sorry for him, because he has been dumped in it—can you confirm that you would make time available later today for the Prime Minister to come to the House to make a statement if he can finally find the time and the will to do so?

Mr Speaker: I am grateful to the shadow Leader of the House for his point of order. The answer to his first question is no. I received no communication of the kind to which he referred. The second point that I would make to him is that it is always open to a Minister, if he or she so wishes, to come to the House at any time to make a statement on an important matter that is of interest both to the Government and to the House.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Further to that point of order, Mr Speaker. I have had cause on a number of occasions recently to draw your attention to the fact that Ministers have made statements and held press conferences outside this House—they have done so on a considerable number of occasions now—and then come to the House either later or not at all. We have now had the latest and worst example of this. The Secretary of State for Culture, Olympics, Media and Sport said in his last answer that everyone should be held accountable for their actions. The one person who refuses to be accountable for his actions in this is the Prime Minister. That being so—while I recognise that although you do not have power, you do have a remit—what action will you take, Mr Speaker, to make it plain to this Government that it is totally unacceptable for them constantly to insult this House by making statements outside the House and then perhaps coming here as an afterthought?

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order. First, I have repeatedly stressed—and I do so again—that important statements of policy, including changes of policy, should be made first to the House. Secondly, the Prime Minister, to whom the right hon. Gentleman referred, will be here in the House, if not before Wednesday, then on Wednesday to respond to questions. The right hon. Gentleman and other Members may seek to catch my eye on that occasion if they are so minded. Thirdly, he will have noticed that when statements are made, in an attempt always to protect the interests of the House as a whole—and in particular the interests of Back-Bench Members—I am inclined to let them run fully, so that Back Benchers have a full and unvarnished opportunity to question the Minister, whoever that Minister may be, and however senior he or she may be.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Further to the earlier point of order, Mr Speaker. The Select Committee on Culture, Media and Sport has followed phone hacking tenaciously. In February last year we issued a report that found it inconceivable that only one rogue reporter at the *News of the World* knew about

phone hacking. During that inquiry very senior people at the *News of the World* and News International testified that a so-called second investigation, in 2007, found no further evidence of wrongdoing, and News International's lawyers wrote us a letter confirming that. However, documents passed to the Metropolitan police by News International and held by those self-same lawyers now show that this was a blatant untruth. Several inquiries into this whole affair have already been announced, but it also prompts the question whether Select Committee powers should be made more effective—from giving powers of summons through to imposing consequences when witnesses mislead and lie with impunity. On behalf of the House, may I ask you, Mr Speaker, to give some thought not only to future reform to make Select Committee powers more effective, but to discussing the issue urgently, so that we can learn the lessons of this affair with the Government and urge them to bring forward reforms to put Select Committees in this House on a par with congressional committees in the United States?

Mr Speaker: Once again, I am grateful to the hon. Gentleman for his point of order. With reference to the specifics of the matter to which he has referred, if a Committee feels dissatisfied with the information that it has been given, it is open to that Committee to reopen an investigation or to request the reappearance of a previous witness, as a number of Committees have already decided. In so far as he focused in the second part of his remarks on the cause of strengthened Select Committees, with greater powers, I would say to him that if the House wants more powerful Select Committees, with a number of specific new powers that they do not currently possess, the House can will it. That is not specifically for the Chair—the Chair has spoken on these matters on many previous occasions, and I think the Chair's views are well known on these issues—but for the House to decide.

Stephen Pound (Ealing North) (Lab): On a point of order, Mr Speaker. Can you advise the House whether there is a mechanism for correcting the extremely unfortunate—and, I am sure, unintended—typographical error in paragraph 1, line 5 of the written statement circulated by the Secretary of State, which could cause considerable distress? What mechanism can be used to correct this?

Mr Speaker: The hon. Gentleman is a trusty servant of the House. He is also sometimes a mildly unkind Member in that he refers to a matter without giving me any notice. The truth is that I do not have the foggiest idea what he is chuntering about—but I will look into the matter. If he wants to return to it and it is a genuine point of order, I will try to respond to it.

Helen Jones (Warrington North) (Lab): On a point of order, Mr Speaker. Today, Southern Cross has announced that it is going to cease trading, which is causing great concern to many elderly people and their relatives and, indeed, to many Members. Have you had any indication from Ministers that they are going to make a statement about this? I include Ministers from both the Department of Health and the Department for Communities and Local Government, as I am sure Members would like to hear what additional support is being offered to local authorities. Have Ministers approached you in any way, Mr Speaker?

Mr Speaker: I have received no indication of any intended ministerial statement on this subject, but I alert the hon. Lady and the House to the fact that tomorrow we have questions to the Secretary of State for Health, including topical questions. That might provide a suitable opportunity to highlight these concerns.

Emily Thornberry (Islington South and Finsbury) (Lab): Further to that point of order, Mr Speaker. About 31,000 vulnerable residents do not know what is going to happen to their homes. Have you heard, Mr Speaker, whether Ministers intend to publish the full list of landlords who are suddenly taking control of 250 homes as of today so that we can have some transparency about the process? At the moment, as I say, 31,000 vulnerable residents are in the dark and 40,000 members of staff have no idea whether their terms and conditions are going to be honoured.

Mr Speaker: I accept that this is an extremely serious matter and, in the mind of the hon. Lady and perhaps others, a matter of some urgency. She will know that, as I have just pointed out to the hon. Member for Warrington North (Helen Jones), Health questions take place tomorrow and the issue can be aired then. I have a suspicion that the hon. Lady, who has quite properly raised this matter a number of times, will return to it before long. The Minister on the Bench and representatives of the Government will have heard what she had to say.

Toby Perkins (Chesterfield) (Lab): On a point of order, Mr Speaker. Earlier today, the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) asked the Minister of State, Department for Education, the hon. Member for Brent Central (Sarah Teather) a question about the way in which the pupil premium was spent in Lancaster. The Minister turned up, having clean forgotten to bring an answer to that question. That came hot on the heels of a recent written question that revealed that the Department for Education answers a very small number of questions on time. Can you, Mr Speaker, enable the House to hold the Department for Education to account by inquiring what problems it faces that can justify Ministers turning up unable to answer questions for which they have had a week's notice?

Mr Speaker: I note the point of order and the hon. Gentleman will recall that when that question was answered—or, rather, not answered, as he describes—I indicated to the Minister that it would help if Ministers read the question before answering it rather than afterwards. To be fair, the Minister took responsibility for that, and I understood her to indicate that she would look into it and seek to avoid a repetition. I hope that that is helpful, but I have a feeling that the hon. Gentleman will keep his beady eye on the matter. The House would expect nothing less.

EUROPEAN UNION BILL (PROGRAMME) (NO. 3)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the European Union Bill for the purpose of supplementing the Orders of 7 December 2010 (European Union Bill (Programme)) and 24 January 2011 (European Union Bill (Programme) (No. 2)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion four hours after their commencement at today's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(James Duddridge.)*

Question agreed to.

European Union Bill

Consideration of Lords amendments

Clause 1

INTERPRETATION OF PART 1

5.24 pm

The Minister for Europe (Mr David Lidington): I beg to move, That this House agrees with Lords amendment 1.

Mr Speaker: With this it will be convenient to take Lords amendments 2 and 4.

Mr Lidington: Since the Bill was given its Third Reading just four months ago, it has been considered carefully and assiduously by the other place, as Members in all parts of the House would expect. I pay tribute to the House of Lords for the diligent way in which it examined the Bill. The Government might not always have shared the views of colleagues in the other place, and we will deal with the points of disagreement in more detail during the debate, but it only right for us to note and welcome the careful, meticulous analysis conducted there.

The House of Lords has agreed to 15 amendments that it now falls to us to consider. They cover a number of issues, and I am sure that Members in all parts of the House will want to spend some time considering each of them, so I shall try to make good progress with each group.

Kelvin Hopkins (Luton North) (Lab): Having read the Lords amendments fairly carefully over an hour or so, I have the impression that they are all essentially about weakening a Bill that was not very strong in the first place. Could we not shorten the debate and vote on them fairly quickly?

Mr Lidington: I welcome what I take to be the hon. Gentleman's support for a reversal of some of the Lords amendments and a restoration of the Bill to the state that it was in when it left this House. However, I am in his hands and those of other Members in terms of the time that it will take to deal with the amendments. I feel that we should do justice to the consideration that the House of Lords devoted to the Bill by dealing in turn with the amendments for which it voted.

Mr William Cash (Stone) (Con): If I may quote the hallowed words of, I believe, John Bright, we should perhaps

"Be just, and fear not".

Will the Minister be kind enough to confirm that he will do everything possible to ensure that the amendments relating to clause 18, to which the European Scrutiny Committee gave such careful consideration and on which it produced such a comprehensive report, will be reached so that we can at least discuss those questions emphatically? They are extremely important, and will allow us to discuss the Supreme Court and its potential interpretation of laws that might inhibit the supremacy of this House.

Mr Lidington: I certainly do not intend to delay our reaching a group of amendments in which I know my hon. Friend is particularly interested. However, as I said to the hon. Member for Luton North (Kelvin Hopkins), I am in the hands of the House in terms of how long it will take us to debate the two groups of amendments that Mr Speaker has placed before the group relating to clause 18.

The first three amendments were proposed by my right hon. and noble Friend Lord Howell of Guildford on behalf of the Government. They are essentially technical, and were intended to deal with concern that was expressed in the House of Lords about the interpretation of some of the provisions in part 1. They fall into two categories.

Lords amendment 1 changes one of the definitions in clause 1 involving the phrase "or otherwise supporting". The fear was expressed in the House of Lords that the Bill, as originally drafted, could inadvertently prevent Ministers and their officials from taking part constructively in negotiations about new proposals for action. That is not, and has never been, the Government's intention. Our intention is that the United Kingdom should continue to be an active player in the European Union, engaging with our partners and ensuring that the EU delivers what it ought to be delivering for the benefit of our citizens and those of other European countries.

Under the Bill, the Government would not be able to vote in favour of, or otherwise support, a treaty or other provision specified in part 1 when the time came for the final decision to be made in the European Council or in the Council of the European Union without the necessary approvals. The words "or otherwise supporting" are included simply because—as many Members who follow European affairs closely will know—it is possible for a proposal that is subject to unanimity to be adopted even it has not been agreed to by each member state in a formal vote. For example, a formal vote does not always take place. In certain circumstances where the Chair believes that he or she has the mood of the room, silence can be taken as assent and, when a decision requires unanimity, abstention is, effectively, counted as a supportive vote, as set out in articles 235(1) and 238(4) of the treaty on the functioning of the European Union.

5.30 pm

Mr Cash: Having listened with enthusiasm and interest to my right hon. Friend's earlier remarks about timing, on the basis that I think it is generally conceded that this particular batch of amendments is entirely uncontroversial and that the whole question of the amendments' content could be dealt with in about 30 seconds flat, will he be kind enough to address them as swiftly as possible, to ensure that the House can get its views across on all matters?

Mr Lidington: I am encouraged by my hon. Friend's remarks to be increasingly confident that we can reach the group of amendments on which he is anxious to speak in good time. I remind him, however, that four hours have been set aside for our deliberations on these three groups of amendments, and I think it is right that we should do justice to the consideration that the House of Lords gave to the Bill by addressing each of the amendments it approved.

On Lords amendment 1, all I want to say further is that the phrase "or otherwise supporting" is included to remove any doubt—just as the previous Government used that phrase to remove any doubt when drafting the European Union (Amendment) Act 2008—and to ensure that a proposal could not be adopted in such a way without the appropriate authority required under the provisions of the Bill.

Lords amendments 2 and 4 make it clear beyond doubt that, under the terms of the Bill, a referendum would not be required in the United Kingdom if a treaty change did not apply to the UK but only to Gibraltar, and this would not transfer competence or power from the United Kingdom. I say straight away that it is hard to work out a scenario in which a treaty amendment that constituted a transfer of competence or power would apply only to Gibraltar and not to the UK. It is possible in theory, and this point was raised in the other place, and we have sought to assuage that concern by proposing these two technical amendments.

Henry Smith (Crawley) (Con): Notwithstanding the recent comments of my hon. Friend the Member for Stone (Mr Cash) on the need for brevity, let me say that while I agree that this is a technical tidying up of the clause as it left this place, I am concerned that a future Foreign and Commonwealth Office—not the current one—that wished to stitch up the good and loyal people of Gibraltar should not have that opportunity through the back door of the European Union.

Mr Lidington: I can certainly assure my hon. Friend that the current Government are absolutely committed to Gibraltar remaining British for as long as the people of Gibraltar want that to continue. We have made that clear publicly since the day we took office, and I have repeated it in public both in this country and on a visit to Gibraltar a few months ago.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Given that this proposal refers specifically to Gibraltar, has the Minister sought and obtained the views of the Government of Gibraltar, and are they supportive of it?

Mr Lidington: Yes, we have done so. The original provision before its amendment by the House of Lords was approved by the Chief Minister of Gibraltar, whom we consulted before originally publishing the Bill, and we have consulted the Government of Gibraltar about the additional change in this Lords amendment and they are content with it. They do not think it in any way damages their position.

I hope the House will agree to these Lords amendments.

Lords amendments 1 and 2 agreed to.

Clause 2

Treaties amending or replacing TEU or TFEU

Mr Lidington: I beg to move, That this House disagrees with Lords amendment 3.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Lords amendments 5 to 13 and 15.

Mr Lidington: I ask the House not to support the Lords in these amendments. I am afraid that I am going to have to test the patience of my hon. Friend the Member for Stone (Mr Cash) a little on this group, because these Lords amendments were passed against the Government's wishes and, in our view, significantly weaken the Bill's safeguards.

The amendments would restrict the scope or operation of the referendum lock that was approved by this House. They are contrary to our clear intention to ensure that any future proposal to amend the European Union treaties to transfer further competence or power from this country to the European Union should be subject to the consent of the British people. The purpose of the Bill is to reconnect with the people whom we serve. It aims to re-engage them with key decisions on the direction of the European Union, on which they have, in the past, been denied their say. The amendments would not deliver on those aims but, on the contrary, make it much more difficult to achieve them.

Mr Cash: Will my right hon. Friend join me in deploring what recent events have demonstrated? Does he, thus, agree that it would have been extremely desirable to ensure that a referendum should apply to any treaty, either current or future, which attempted to change the fundamental relationship of the United Kingdom to the European Union, including in respect of the creation of a two-tier Europe—between the eurozone and the EU—in economic governance? Does he agree that that is a matter on which a referendum is every bit as important? This is not merely a question of a transfer of competence and powers but one that goes to the very heart of the constitutional relationship between the UK and the EU.

Mr Lidington: If, as I hope, this Bill obtains Royal Assent and goes on to the statute book, this Government and future Governments will, from the moment its powers are commenced, be bound by the provisions of this legislation with regard to the way in which they handle any future proposal to amend the European Union treaties, negotiate and agree a completely new treaty or invoke one of the passerelle clauses in the treaty of Lisbon. As my hon. Friend knows, in certain cases a Government would have to hold a referendum before a particular treaty could be ratified by this country. For any treaty change, even one that according to the provisions of this Bill would not automatically require a referendum, an Act of Parliament—primary legislation—would be needed, and it would of course be open to Parliament at that time to decide to go further even than the provisions that we are putting forward in this legislation.

Mr Cash: May I say that I am delighted by that delightfully disingenuous response? As my right hon. Friend knows perfectly well, I am referring to the treaty that has already been made, and I immediately realised what he was up to when he talked about "any future" treaty. I accept that an Act of Parliament may be needed, but does he not, by the same token as the principles that he has set out in great detail, also agree that we should have a referendum on the creation of such a two-tier Europe, which creates constitutional change in the relationship between the EU and ourselves?

Mr Lidington: The principle on which the Government have consistently sought to act in preparing and introducing this legislation has been that a change to the treaties that transferred new competencies or powers from the United Kingdom to the institutions of the European Union would require the agreement of the British people in a referendum. That is the principle, so for us the test for the sort of hypothetical treaty change that my hon. Friend is describing would be whether it transferred competencies or powers from this country to the EU. I do not want to stray too far from the subject of the Lords amendments we are discussing, but the hypothesis that he describes could just as well be a question of a quite separate intergovernmental treaty between members of the eurozone, for example, as an amendment to the treaty of Lisbon, which would require the assent of the United Kingdom.

Mr Cash: Let me have one last shot. Does the Minister concede that there is a world of difference between the members of the coalition Government having entered into an agreement between themselves for purposes that suit them and the constitutional convention that a referendum is required when there is a fundamental constitutional change in the relationship between us and the European Union? It is as simple as that.

Mr Lidington: We sought in this Bill to define a constitutional change of the sort that my hon. Friend describes in terms of a transfer of competencies or powers from the United Kingdom to the European Union. That seems to us to be a significant constitutional change and the definition is one that we have incorporated into the Bill. Now, if he will forgive me, never mind how delightful I find his interventions, I think I ought to make some progress in addressing the Lords amendments directly.

Let me deal first with Lords amendments 3 and 5, which one might term the threshold amendments. They would provide for a turnout threshold of 40% for any referendum under the Bill. If that threshold were not met, regardless of the result the final decision over whether to ratify a treaty change would pass from the people back to Parliament. That runs contrary to the spirit and intention of the Bill and would leave the British people in real doubt about the effect of their vote.

I know that the intention of colleagues in the House of Lords was to safeguard the sovereignty of Parliament, but I do not agree with them that the Bill would challenge the status of Parliament. In fact, Parliament will have a much stronger role than ever before.

Henry Smith: I am grateful to my right hon. Friend for being so courteous in giving way. Does he agree that, ironically, elections to the European Parliament often have a turnout of 40% or less, as do many local authority elections? Would it not be absurd to consider those as merely advisory?

Mr Lidington: My hon. Friend is right. We get into very dangerous territory as elected representatives when we start to say that only votes or elections in which the turnout was above a given percentage are valid. What is at issue is our intention to provide for the British electorate to have the final say on whether or not the

Government of the day can agree to transfer competencies or powers from the United Kingdom to the European Union. The outcome of a referendum should, in our view, be determined by the will of those who vote and not by how many turn up to vote.

As the hon. Member for Foyle (Mark Durkan) said earlier this year when we debated a turnout threshold for the referendum on the alternative vote:

"If we agree to anything that passes for any sort of threshold, people in this country will have an incentive to say, 'If you don't know, don't vote'".—[*Official Report*, 15 February 2011; Vol. 523, c. 907.]

A turnout threshold seems to me to be a recipe for apathy. It would undermine one of the fundamental aims of the Bill, which is to reconnect the British people and better inform them of the decisions taken in their name at European Union level.

5.45 pm

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): The argument that the Minister is very fairly advancing is reinforced by what the Electoral Commission said in advance of today's proceedings. Its task and statutory duty in issuing a certificate following an election has to be based on a proper definition of the size of the electorate and what constitutes turnout. Does the Minister agree that the amendments add no clarity whatever to that?

Mr Lidington: My right hon. Friend is absolutely correct about the views of the Electoral Commission, which I believe it expressed publicly in its response to the amendments passed in the other place. There could be some perverse, although unintended, I am sure, effects if the threshold amendments were upheld. In some circumstances, there would be an incentive for one side in the referendum campaign to urge abstention rather than support in an effort to keep turnout below the magic threshold of 40%. It could also mean some very peculiar outcomes. Obviously we are talking hypothetically, but if we stuck with the 40% threshold, a poll would be deemed invalid if there was a turnout of 39% in which 5% voted one way and 34% voted the other, whereas a poll with a turnout of 41%, with 21% voting one way and 20% voting the other—the 1% margin—

Mr Denis MacShane (Rotherham) (Lab): That is not 100%.

Mr Lidington: I assumed that I did not need to translate the figures for the right hon. Gentleman and I am sure that he understands my argument perfectly well. There could be a very small difference between the two sides in a referendum result, but it would be valid if the turnout was just above the 40% threshold, whereas a much bigger and more decisive outcome just below the 40% would be deemed to be of no account.

Kelvin Hopkins: In very extreme circumstances, there could be a result of 39% to zero with the zeros winning.

Mr Lidington: I think the hon. Gentleman is being hypothetical and I am sure that some voters would be cussed enough to insist on going to the polls whatever the odds against them but his point is a reasonable one.

Mr MacShane: Does the right hon. Gentleman recall the referendums on Scottish and Welsh devolution in the late 1970s, which required a threshold that was not reached? That was a grotesque humiliation for the Labour Government and was an exultant moment of glory for the Conservatives as Mrs Thatcher swept forward to victory. You really should not bury your successful past so quickly.

Mr Deputy Speaker (Mr Nigel Evans): Order. I am not trying to bury my unsuccessful past.

Mr Lidington: In 1979, I was still a university student and had other things on my mind than the devolution referendums in Scotland and Wales. If one takes the right hon. Gentleman's point about the imposition of the threshold then and looks back at the history of the decade after, which resulted in no move towards satisfying what were genuine aspirations for a greater degree of devolved government in Scotland and Wales, it made the public disconnection from Westminster of the people in those two countries greater over the subsequent years. But this is a matter that historians can argue over.

Mr Davidson: Can I clarify what the Minister is saying? Is he saying that the 40% rule would apply not only to referendums in this context but to any future referendum and that the Government would be committed to opposing any 40% threshold for any future independence referendum in Scotland?

Mr Lidington: I am not going to speculate on a hypothetical Scottish referendum. We have said clearly not just on this Bill but on the Bill that authorised the referendum on the alternative vote system that we felt the decision should be taken by those people who voted, and the outcome should not depend on any artificial threshold that we chose to impose.

Mr Cash: My right hon. Friend may recall that it was my amendment that led to the question of the threshold in the AV Bill. Does he accept that something profoundly different went on in the 1970s regarding Scottish devolution, because it was a different formula? On this particular issue, however, there is no doubt that the same kind of spontaneous combustion would occur in relation to any referendum on the European issue, fortunately, and the same kinds of figures would prevail as were registered in parts of Staffordshire—80% against the Government's proposals to enter into a treaty that was unacceptable to the United Kingdom. There is nothing that anyone can do about it. Tests, thresholds and all the rest of it would be swept away.

Mr Lidington: I am confident that if and when a British Government made a proposal to support a treaty change to give extra powers to the European Union and put that to the people, the turnout would be significantly above 40%. I have confidence in the voters.

Chris Heaton-Harris (Daventry) (Con): I thank the Minister for giving way; he is being generous with his time. Does he agree that thresholds are just bliss for the lazy politician? If politicians are not sure that they are going to win and want those on the other side to prove their point, they can sit at home and do nothing. If we extended the threshold to local elections or European

[Chris Heaton-Harris]

elections, as my hon. Friend the Member for Crawley (Henry Smith) suggested, I would not have been elected on the 23% turnout that was achieved in the east midlands in 1999. More votes were cast that very weekend to evict Bubble from the second "Big Brother" house.

Mr Lidington: My hon. Friend puts his point well. There have been parliamentary by-elections where the total turnout was less than 40%, and I do not think anybody argued at that moment that the election of that Member was in any way invalid.

Mark Reckless (Rochester and Strood) (Con): My right hon. Friend presumed earlier that the Lords had inserted the amendments to protect parliamentary sovereignty. Is it not possible that some noble Lords voted to insert the amendments because, in the circumstances outlined by the hon. Member for Luton North (Kelvin Hopkins), if 39% of people vote against something to do with the EU and 0% in favour, they would prefer it if the 0% won? In this context, is my right hon. Friend aware that some noble Lords are in receipt of EU pensions? Would it not have been better if that financial interest had been declared?

Mr Lidington: My hon. Friend has put matters on the record. I am content to take the arguments and reasons given by Members of the House of Lords as justification for the amendments in which they believed.

Ian Swales (Redcar) (LD): Does the Minister agree that if we accept the amendment, we are setting up a perverse incentive for the Government of the day to seek a low turnout if they wish to get a measure through? That might affect the way they publicise a referendum or engage with the process.

Mr Lidington: That puts it fairly. The perverse incentive to seek an apathetic reaction from the electorate is one that I would want to avoid.

Mr Davidson *rose—*

Mr Lidington: I will give way one last time, because I want to deal with the other Lords amendments in the group.

Mr Davidson: I am grateful to the Minister for giving way in the circumstances. Surely the hon. Member for Rochester and Strood (Mark Reckless) is wrong and we cannot have a situation where Members of the House of Lords who are in receipt of money from Brussels vote and do not declare it. Surely that would be counter to everything in our parliamentary democracy and surely they give an indication that they are in receipt of gold from Brussels.

Mr Lidington: One thing that I have learned in my 19 years in this place is that each House is very jealous of its own procedures and privileges, including what the rules should be on the declaration of financial interest, so I think we should leave that to the House of Lords authorities to decide.

I am surprised that the threshold amendment was supported in the House of Lords by the official Opposition Front-Bench team. I hope that when the hon. Member for Caerphilly (Mr David) catches the Deputy Speaker's eye, he will provide some explanation of that course of action and indicate whether he plans to lead his party through the Lobby in defence of a 40% threshold, although he has probably given up hope of leading the hon. Member for Luton North.

That support is particularly astonishing because the hon. Member for Caerphilly is seriously at odds with his, and my, immediate and distinguished predecessor. It was the hon. Member for Rhondda (Chris Bryant), who was Labour's spokesman on Europe, who said repeatedly in debates on 2 November last year that he disagreed fundamentally with the very idea of thresholds, saying:

"I do not agree . . . about thresholds in referendums because, broadly, they are not a good idea."—[*Official Report*, 2 November 2010; Vol. 517, c. 846.]

He repeated that a few columns later. As a Conservative politician, I feel slightly nervous trespassing on the frontier between Caerphilly and the Rhondda, but the hon. Member for Caerphilly owes the House an explanation for this departure in Labour party policy that he has presumably devised and implemented.

Amendments 6 to 13 are very significant indeed in their impact. They would remove from the referendum lock several passerelle decisions that would transfer power and competence from Britain to the European Union. The other place accepted that decisions to adopt the euro, give up UK border controls, or create a single, integrated military force should require a referendum. That was a welcome step, but it is not enough. The coalition agreement set out clearly that

"no further powers should be transferred to Brussels without a referendum."

All the decisions included in clause 6 as it left the House of Commons would constitute such a transfer.

Some Members of the Lords felt the original clause 6 did not provide Ministers with what they termed sufficient "pragmatic flexibility". I would say in response that it is a direct consequence of the abuse of so-called "pragmatic flexibility" in the past that there is such lack of trust in the European Union today, and in Governments as a species, for decisions taken on European Union matters. It is that lack of trust which the Bill seeks to address. Speaking as someone who disagrees with some of my hon. Friends on the Back Benches, I want to see the United Kingdom playing a vigorous, active, constructive role on behalf of our people within the European Union. Our ability to do that and to enjoy the confidence of the British people in so doing will be enhanced if we can point to the safeguards that are provided for in the Bill included in clause 6.

Mr Cash: On that important point, is my right hon. Friend aware of the remarks of the Prime Minister as reported in *The Spectator* only a few days ago on the question of the renegotiation of the existing treaties, which I called on the Prime Minister to do when he came back from the last European Council summit? Does the Minister for Europe know that I tabled a written question to the Prime Minister asking him what objectives he has set to maximise what he wants from the UK's engagement with Europe, and whether such

objectives will include any opportunity to renegotiate the UK's relationship with the EU? As the Minister must know, the answer that I received today says that the Prime Minister is not going to answer that question, I am afraid, and that he has transferred it to the Secretary of State for Foreign and Commonwealth Affairs. Does the Minister have an answer for me, therefore, to the question that seems to have been transferred to him?

6 pm

Mr Lidington: Providing the formal response to my hon. Friend's question is clearly a treat that is yet in store for me. I will obviously give him a proper and considered response when the question reaches me, but everything I have observed about how my right hon. Friend the Prime Minister has acted in respect of the European Union since the general election has shown his utter determination to maximise the interests of the United Kingdom and the British people in every negotiation at European level in which he has taken part. Everything that he, the Deputy Prime Minister and other members of the Government do, from conversations with colleagues to meetings of the Council of Ministers, is about trying to get the best possible advantage for the United Kingdom from our membership of the EU.

Mark Reckless: In that case, although Ministers had such great success in preventing the use of the EU-wide financial stability mechanism in the case of the Greek bail-out, will the Minister explain why it was simply nodded through with respect to Portugal?

Mr Lidington: I think that I would test the House's patience if I were to go into that in detail, particularly as there was a debate on bail-outs a few weeks ago, in which I think my hon. Friend participated, and to which my hon. Friend the Financial Secretary to the Treasury responded at some length. I am sure that there will be other opportunities to question Treasury Ministers about that.

Mr Deputy Speaker (Mr Nigel Evans): Order. For the convenience of the House, I remind Members that just because the debate has the word "Europe" in the title, that does not mean that we can have a wide-ranging debate on European issues. Some latitude has been given, as Mr Cash knows, but could we now please look at the specific amendments?

Mr Lidington: The amendments to clause 6 would introduce huge inconsistency in the referendum lock. They would make the method used to transfer competence or power the determining factor in deciding whether or not a referendum should be held, rather than the fact of the transfer of competence or power itself. There are four ways of amending the treaties to allow transfers of power and competence from the United Kingdom to the European Union. First, there is the ordinary treaty revision procedure. Secondly, there is the first part of the simplified revision procedure, which was the method used recently to agree the recent treaty change on the eurozone stability mechanism. Thirdly, the British veto could be given up using the second part of the simplified revision procedure set out in article 48(7) of the treaty on European Union. The fourth and final way is through the use of a decision or passerelle without formal treaty change.

The Lords amendments seek to remove the last two methods from the referendum lock. I do not see the logic in this. For example, the amendments would mean that were a future UK Government to decide to give up their veto over foreign and security policy under the ordinary treaty revision procedure, there would first have to be a referendum, but if they decided to give up that veto under the passerelle decision in article 31(3), which would have exactly the same effect as a change under the ordinary revision procedure, there would be no requirement for a referendum. I do not think that the British public would understand being able to vote on a treaty change that gave up the veto but not having a say over a passerelle that did exactly the same thing, and there are other such examples. As my right hon. and noble Friend Lord Howell argued, this would be tantamount to locking the front and back doors of a house but leaving the kitchen window open. It is not the way to restore the trust of the British people.

The amendments would also draw an artificial distinction between a possible future agreement on a common European defence that would involve the creation of a single, integrated military force and other similar decisions that would not. The amendment suggests that the only controversial element would be a decision to develop a "single, integrated military force", but there would inevitably be confusion over the extent to which such a force would be established. For example, would the establishment of an integrated command structure, an integrated unit or integrated budgets count? That lack of clarity could allow each step to be presented as "not quite" leading to a single integrated military force, and therefore "not quite" justifying a referendum. It is important that we hold to the principle that were a British Government to decide to opt in to a common European defence, that should ultimately be subject to a decision by the British people. A common defence could undermine the pre-eminence or capability of NATO, notwithstanding any assurances provided in the EU treaties. Maintaining that pre-eminence has been a long-standing concern of this and previous British Governments.

Mr Bernard Jenkin (Harwich and North Essex) (Con): My right hon. Friend is making an able demolition of these unacceptable amendments, but will he describe what sorts of decisions on common defence he thinks would currently trigger a referendum, because it is difficult to see how such decisions would constitute a transfer of power under the rather narrow definition set out in the Bill?

Mr Lidington: As the House debated in Committee and on Report, in the Bill it is the creation of a common European defence entity that goes beyond what is defined as a common security and defence policy, which as my hon. Friend knows is very limited in scope within the treaties as they stand. If there was to be a common European defence, that would clearly have to be defined in treaty terms, but sometimes, as he would be the first to note, language that appears quite generalised in scope, once written into a treaty, provides the basis on which numerous detailed measures can then be brought forward because there has been an overall extension of competence to the EU institutions. It could—I am not saying that it always would—spell the end of an independent UK defence policy, which was one of the previous Government's red lines during their negotiations on the Lisbon treaty.

[Mr Lidington]

The amendments would also remove any decision to participate in a European public prosecutor from the referendum requirement. Hon. Members will recall the sensitivity and divergence in views across Europe over the idea of a European public prosecutor who would be able to launch prosecutions in the United Kingdom and other member states in areas affecting the EU's financial interests. When we considered this issue earlier this year it was accepted that people should be asked for their approval before any Government could agree to participate and allow cases to be prosecuted independently in the UK's legal system.

We have always guarded jealously—rightly, I think—the principle that decisions on whether to prosecute any individual or corporate entity should be taken by the designated independent prosecutors. To give those powers to some new European body that could come in and state whether a prosecution would or would not take place, irrespective of what the Crown Prosecution Service, the Director of Public Prosecutions or Her Majesty's Revenue and Customs said about a particular case, would be a very serious shift of power and competence away from this country to Brussels. It would be right for the British people to be asked to assent to that before a Government were allowed to ratify such a decision.

Before I move on from the Lords amendments to clause 6, I should like to express my amazement that, when the House of Lords voted for an amendment to remove from the referendum lock a decision to end the requirement for unanimity in agreement to the EU's multi-annual financial frameworks, the official Opposition voted in favour of that proposal. I hope that the hon. Member for Caerphilly will explain on the record where the Opposition now stand on the matter. Everyone in the House, whatever their views on the EU, knows that in the next couple of years a key issue facing every Government in the EU and all the Brussels institutions is the negotiation on the new MFF which will effectively set budgetary decisions and ceilings for the next five or seven years in the EU's life and development. It is vital that that remains subject to unanimity and that the British Government, whoever is in office, continue to have a right of veto.

Mr Wayne David (Caerphilly) (Lab) *indicated assent.*

Mr Lidington: The hon. Gentleman is nodding, so he must explain why members of his party—not just Labour Back Benchers but official spokesmen in the House of Lords—trooped through the Lobby to say that they wanted to scrap the British veto and allow the fate, for example, of the UK's rebate to be subject not to consensus but to qualified majority voting. That would be the impact of the measure. The hon. Gentleman is saying that he would remove from the referendum lock a decision to switch from unanimity to QMV on that matter.

Mr Cash: Does my right hon. Friend agree that perhaps it has something to do with the report on the question of economic governance, in which it appeared as if the underlying theme expressed by certain Opposition Members in the House of Lords was edging us towards the prospect of fiscal union? There really is a substantial difference in policy, principle and philosophy, if I can use that expression, in their attitude to the EU and that of the House of Commons.

Mr Lidington: My hon. Friend makes a good point. The Opposition need to own up to where they are coming from. If the hon. Member for Caerphilly wants to intervene and say that his Front-Bench colleagues in the House of Lords had gone rogue and he was unable to control them, that he was sorry and he did not really mean it, a plea for forgiveness might be entertained. But if he really supports the proposal to remove decisions on the MFF from the referendum lock, he should say so clearly to the House, because the Labour party did not say that when the Bill was debated in the House of Commons.

Mr David: I will make a deal with the Minister. I am more than happy to explain the Labour party's decision when I speak to the Lords amendments, but will he explain to the House the comments of Members of the other place such as Lord Brittan, or the actions of Lord Heseltine, both of whom expressed complete disagreement with fundamental aspects of the Bill?

Mr Lidington: I have huge respect for Lord Brittan, Lord Heseltine and those senior Liberal Democrats in the House of Lords who have devoted their political lives to support for European integration—they have a consistent and honourable point of view on this. I do not agree with them. There is a key difference—and the hon. Gentleman may wish to challenge me—between the way in which Lords Brittan and Heseltine spoke and voted and the way in which his colleagues did so. My noble Friends gave distinguished service in government, but many years ago, and they are no longer ministerial spokesmen. The hon. Gentleman must explain why the Labour party's official spokesmen in the House of Lords spoke and voted in the Lobby for an amendment that he appears very unwilling to support.

6.15 pm

Mr David: I find it amusing and surprising that the Minister is dismissive of senior Members of the House of Lords such as Lord Brittan, who not only had reservations and disagreed with parts of the Bill, but said that there was nothing in the Bill at all with which he could agree.

Mr Cash: He has got a pension too.

Madam Deputy Speaker (Dawn Primarolo): Order. It has been interesting to hear hon. Members discuss their opinions of the careers of distinguished Members of the House of Lords, but I should like the Minister to return to the business before the House, which is Lords amendment 3, and his views on that, rather than on anyone in the House of Lords.

Mr Lidington: I will try to avoid that temptation, Madam Deputy Speaker.

Chris Heaton-Harris: To help out the Opposition, the Minister may have noticed that they had a completely different policy on the MFF on days that began with a

"T" from on those that began with any other letter. That happens to be true when it comes to the Lords.

Madam Deputy Speaker: I do not want the Minister to help out the Opposition, who can take care of themselves. I want him to help out the Government by speaking to the amendment. Perhaps he would return to it.

Mr Lidington: I shall turn to Lords amendment 15, which would insert a sunset clause into the Bill, so that part 1 and schedule 1 would expire when Parliament is dissolved, only to be revived at the discretion of the Secretary of State and with the approval of Parliament for the duration of the new Parliament. That exercise would have to be repeated every five years. I have looked carefully at the arguments for such a measure. As the Government made clear in the other place, sunset clauses can be useful in legislation proposing new or extraordinary powers for the Executive, or in legislation that would serve a specific or time-limited purpose, but this Bill does neither.

Some colleagues in the House of Lords said that the Bill was a constitutional innovation and should therefore be subject to a sunset clause, but much of what we do in Parliament is innovative. We believe that the Bill is an innovation that will be welcomed by the British people, and it should become an enduring part of our constitutional framework.

Kelvin Hopkins: I agree entirely, and I think that the British people would like the Bill to be rather stronger.

Mr Lidington: I think that the British people would be alarmed at the thought that they were being offered new rights and responsibilities for a term of only five years, and would then have to wait and see whether they would be graciously renewed by a new Parliament.

In a survey conducted two years ago, more than four out of every five British people wanted a referendum on any future treaty change. Everything that we do in the House is reversible—no single Parliament can bind its successor—so there is no reason to single the Bill out for a sunset clause, which would mean that it merely loaned power to the people of this country on the future direction of the EU for a limited time. After that, the decision on whether or not to lend them the power for another five years would be in the hands of the Government of the day. The British people would rightly look on such a proposition with disdain.

Henry Smith: My right hon. Friend is entirely right. If the amendment were allowed to stand, would it not render the proposed legislation completely empty? As he eloquently said, it goes against the constitutional principle that no Parliament can bind its successor.

Mr Lidington: My hon. Friend is quite right. In a previous Parliament, when we voted for constitutional legislation as far-reaching as the devolution of power to the Scottish Parliament and the Assemblies in Wales and Northern Ireland, we did not vote for the inclusion of sunset clauses. Parliament took the view that if that legislation, in due course, proved not to be workable, or if there were a profound change in the public mood or a new Government were elected with a mandate from the people to effect changes and reverse that devolution, that was a matter for the future Parliament at that time. The idea that we should impose a sunset clause in this case simply because it is something new seems to be completely inconsistent with the way in which Parliament and successive Governments have approached previous constitutional reforms.

Mr Cash: I am interested in the line that my right hon. Friend is taking. Without pre-empting any other discussion, does he agree that this is also about the whole question of our membership of the European Union being only on loan from this House because under the Factortame decision Lord Bridge made it clear that it was a voluntary act and no more? Does he therefore think that inserting a reference to the European Communities Act 1972, as proposed in the amendment tabled by the former Lord Chancellor, Lord Mackay of Clashfern, would be making a profound mistake in thinking that this all hinges on the Act when in fact it depends on Parliament itself?

Mr Lidington: My hon. Friend is inviting me to comment on the subject matter of the third group of amendments. I hope that he will forgive me if I delay commenting in that fashion until we reach those amendments.

This Bill places Parliament at the heart of every decision to be considered. Each decision will need parliamentary approval, whether by Act or by resolution. The sunset clause would take that power away from Parliament, and until such time as part 1 was revived, none of the controls in part 1—not just the referendum lock but none of them—would apply. Some colleagues in the other place claim that the Government are binding future Governments and not themselves. However, we have already said that we will use the Bill to ratify the current treaty change on the eurozone stability mechanism, and we will also use it to consider the treaty change required for Croatia's accession. Once the legislation is enacted, this Government, too, will be bound by it.

There is another reason why a sunset clause is unnecessary. The previous Government set up a system of post-legislative scrutiny under which the Government of the day are required to publish a memorandum to Parliament on the operation of each Act of Parliament up to five years after the commencement of that Act. This is examined by relevant parliamentary Committees, which can decide whether to conduct a detailed examination of that legislation. I am happy to put on record that we think that this is a good idea and that a future Government must publish a full report on how this Bill has been used within five years of its becoming law. That will result in the clarity and the reflection that colleagues in the other place seek, but without arbitrarily depriving the British people of their say.

The case for this Bill is simple: it is to give the British people the chance to have their rightful say over future changes to the EU treaties, whether through formal revision or use of the passerelles that transfer competence or power from this country to the EU. The Bill does not substitute the British people for Parliament, for Parliament will continue to have a central and strengthened role in approving such key decisions, but it provides a vital opportunity to address the disconnection that has developed over the years between the British people and the decisions

[Mr Lidington]

taken in their name by Parliament and Government. This group of Lords amendments would not help us to achieve these goals—indeed, they would seriously jeopardise our chances of doing so—and that is why I hope that this House will disagree with them.

Mr David: I would like to comment briefly on Lords amendments 3 and 5 regarding the 40% threshold and on Lords amendments 6 to 13 regarding the number of referendums. I will then focus on Lords amendment 15 regarding the so-called sunset-sunrise clause.

Some people in both Houses say that a reasonable turnout in referendums is necessary to ensure a demonstrable degree of legitimacy. That argument was advanced during the alternative vote referendum debate, but it has weaknesses. We have already heard that there is a certain perverse incentive to encourage a lower turnout than might usually be the case, and that is a fair point. It is important to remember that there has been a threshold of 40% on only one occasion—the devolution referendums for Wales and Scotland in 1979. Wales rejected the then Government's devolution proposals by a majority of four to one, while in Scotland there was a turnout of less than 40% but a narrow majority in favour of the proposals. The result in Scotland brought this question to the fore: when is a win not a win? That is a real dilemma, and it is one of the reasons that many Labour Members have reservations about the use of the 40% threshold.

Reference was made to my hon. Friend the Member for Rhondda (Chris Bryant). I should point out that Rhondda is in south Wales and Ronda, as it was pronounced by the Minister for Europe, is in Spain. My hon. Friend tells me that, although he speaks Spanish, he represents to the best of his ability the constituency in south Wales.

Amendments 6 to 13 would reduce the number of theoretically possible topics for referendums from more than 50 to three: the single currency, the creation of a single EU integrated military force, and border controls and the Schengen protocols. As Labour Members argued consistently on Second Reading and in Committee, there is an overwhelming argument for referendums to be held if ever a British Government wanted this country to join the single currency, which is extremely unlikely, and when there is a proposal for a major constitutional change. In Committee, we proposed an amendment for a Joint Committee of both Houses to examine whether a proposed treaty change was a significant constitutional change. Unfortunately, that proposal was not successful in this House, and nor did it gain sufficient support in the other place. However, that remains our position. Of course, Members in the other place are entitled to their views, but we have reservations about the proposal that referendums should be confined to these three subject areas, and it is important to put on the record that my comments set out the Labour party's position.

That brings me to the sunset-sunrise clause. In the other place, Lord Kerr, the distinguished former head of the diplomatic service, put forward three arguments for such a clause, one of which related to foreign policy. He argued with conviction that were the provision enacted, other European Governments could freeze Britain out of the debate through enhanced co-operation or by acting outside the treaties altogether. That might happen, he said, when a British negotiator in Brussels is unable to agree to something

"because his Government back home will tell him, 'Don't be silly. That would trigger a referendum.'"—[*Official Report, House of Lords*, 15 June 2011; Vol. 728, c. 810.]

He argued that a regular assessment and decision at the start of a new Parliament on whether such a system was working would be a reasonable measure to adopt. That is worthy of consideration.

Charlie Elphicke (Dover) (Con): A Government would say that only if they did not think that they could win such a referendum, so how can it be right for his lordship to put the case that the British people, if they were minded to vote against such a thing, should have their role entirely negated? That seems to be the essence of the argument, and surely that is wrong.

Mr David: That is not entirely fair. When Lord Kerr presented his argument, he suggested that referendums could be triggered on what are universally considered as fairly technical, minor matters. It is a hypothetical situation. Nevertheless, it is important to recognise that in the minutiae of negotiations, we negotiate effectively for the United Kingdom only when we do not have it in the back of our minds that there might be hurdles to be overcome at a later stage.

The other two arguments used in the other place were essentially constitutional. It was argued that the referendums envisaged in the Bill are essentially post-legislative. In other words, once the Government have negotiated a treaty change and Parliament has agreed to it, a referendum will be held. As the referendum is post-legislative, it is a lock. The electorate will have to decide whether to overrule the Government and Parliament of the day. Holding referendums post-legislatively in that way questions Parliament's traditional role. Such a change should therefore be subject to constant review and reaffirmation or otherwise. That constitutional argument is worthy of consideration.

By far the most important and powerful argument concerns the principle that a Parliament cannot bind its successor. That is a vital principle of our parliamentary democracy. In the evidence taken by the European Scrutiny Committee, which is ably chaired by the hon. Member for Stone (Mr Cash), a number of expert witnesses explained the importance of that principle. Michael Dougan, the dean of the Liverpool law school and a professor of European law at the university of Liverpool, concluded his evidence by saying:

"If there is a real concern about the doctrine of Parliamentary sovereignty that needs to be addressed during the passage of this Bill, it surely consists in an attempt by the Government to persuade the current Parliament to bind its successors in a manner which runs counter to accepted understandings of our constitutional order."

That is a pretty powerful statement.

6.30 pm

Kelvin Hopkins: Even though legislation can in a sense bind our successors, our successors can introduce legislation to annul previous legislation. There is a difference between the automatic disappearance of legislation at an election and an Opposition party coming

into government with the commitment to reverse legislation. That is still possible, so our successors will not be bound absolutely.

Mr David: That is an important qualification, which I will come on to address specifically. It is important at this stage to make the general case that this is a central part of our unwritten constitution.

Mr Cash: Does the hon. Gentleman accept that the question of fettering a future Parliament is secondary these days, unfortunately, to the fact that the Supreme Court could, as the European Scrutiny Committee examined in its evidence and report on this Bill, assert that it has ultimate authority in certain circumstances? That is the mischief that we must ensure does not happen under any circumstances. We will come on to debate clause 18 and the Government's proposals, which open that door in an alarming fashion.

Mr David: Like the Minister, I do not want to stray into that debate. One thing that has been clear from this whole debate, including on Second and Third Reading, is the real threat to this institution comes from judicial activism. That threat does not come so much from the European Union as from our own judiciary. We must be mindful of that.

Another expert witness who gave evidence to the hon. Gentleman's Committee was Vernon Bogdanor, a research professor at King's college London and a former tutor of the Prime Minister. He said that

"the purpose of the bill must be to prevent a future government from supporting such an amendment or transfer without a referendum. The bill seeks, in other words, to bind a future government. That seems to me inconsistent with the declaratory proposition that Parliament is sovereign."

That is an extremely powerful statement. We must consider the full impact of this legislation.

Charlie Elphicke: The hon. Gentleman is making a powerful case for Parliaments not binding their successors. The logic of his argument is surely that at the start of each Parliament, this country's membership of the European Union and the legislation on the European Union should be reconfirmed.

Mr David: No, I do not think that that is the case. One thing that has come across clearly in the debates in this House is the sovereignty of Parliament. We are talking about the sovereignty of Parliament in a dualist system, but Parliament nevertheless has the right to determine what legislation has primacy over the people of this country. The ultimate decision rests with this country.

Ian Swales: The sovereignty of Parliament is obviously absolutely key. If we passed the sunset clause, sovereignty would in effect pass to the next Government, not the next Parliament. As the hon. Member for Luton North (Kelvin Hopkins) said, a future Parliament has the power to change this legislation. The sunset clause would pass that power to the Government, not to Parliament.

Mr David: No, it would not pass to the Government, because we are talking about Parliament itself deciding. In our electoral system, it is the Executive who are accountable to Parliament. We are talking about parliamentary sovereignty.

Mr Cash: Will the hon. Gentleman please reflect on what he just said? Is he trying to maintain the fiction that it is Parliament that makes decisions, when most decisions are in fact taken at the direction of the Prime Minister and the Government through the Whips?

Mr David: I very much hope that in this Parliament that will not be the case. I have taken heart from the rebellious comments and actions of the hon. Gentleman. I very much hope that Parliament will assert itself through the course of this Parliament and that his concerns will prove to be mistaken.

I hope that most Members of this House would uphold the time-honoured doctrine, despite the qualifications that have been expressed, of one Parliament being unable to bind its successor. I hope that Members do not question that. We should never seek to dictate in one Parliament what should happen in the next. I concede that, strictly speaking, the European Union Bill does not bind future Parliaments because, as has been said, those future Parliaments could modify the legislation. Nevertheless, at the very least, the Bill questions that principle and strongly goes against its spirit. I say that because the heart of the Bill will effectively come into operation during the next Parliament.

In the other place, Lord Howell said from the Government Front Bench that the Bill will be "operative" in this Parliament. He cited the Government's commitment to bring forward an Act of Parliament on the European stability mechanism, the so-called bail-out mechanism, and its inclusion in the treaty. The Minister has just said that an Act of Parliament will be brought forward if Croatia accedes to the European Union. The Government have said consistently that they will not agree to any transfer of sovereignty to Brussels during this Parliament. That is an important qualification. There will therefore be no need to hold a referendum. Of course, we may see a significant transfer if the Government decide to opt in to the European Court of Justice opt-in provisions. The Government are illogically against holding a referendum if they decide to opt in. That reinforces the point that the main intention behind the Bill is to influence future Governments and Parliaments. What happens during this Parliament under the Bill will be relatively small beer. We are talking about a piece of legislation that will have a direct influence on the Governments and Parliaments of the future, after the next election. That is the fundamental point. Despite the qualifications that have to be expressed for the argument to hold up, that is an important and telling point.

Mark Reckless: Is not the key point about the Bill that it makes provision for referendums at some potential future date on various aspects of our relationship with the EU? What the British people really want is a referendum now on our membership or otherwise of the EU.

Mr David: That might be the true voice of the British Conservative party, but it is not the voice of the hon. Gentleman's Government and it is most certainly not the voice of the Opposition.

Mr Cash: The little matter that the hon. Gentleman happened conveniently to leave out of that remark was the voice of the British people, was it not?

Mr David: It is important that we recognise that the British people have a voice, which is why we have been clear that it is important that referendums are held on major constitutional issues and the issue of a single currency. It is important that the British people are engaged in the debate about Europe in a way that they have not been for a good time. However, the way to do that is through constructive and rational debate. There is nothing wrong with having referendums on big, important issues, but we are firmly against having referendums on paper clips and minutiae.

Andrea Leadsom (South Northamptonshire) (Con): Does the hon. Gentleman regret the fact, then, than when in government Labour did not give the British people a referendum on the Lisbon treaty?

Madam Deputy Speaker (Dawn Primarolo): Order. We are talking about amendments from the Lords on constitutional issues. I am sure, Mr David, that you were going to come to the Dispatch Box and focus on exactly those issues.

Mr David: I will restrain myself, Madam Deputy Speaker, and follow your strictures.

I shall refocus on the idea of a sunset-sunrise clause. It is all the more important that these sensible proposals from the other place be given due consideration because, as has been said, never before has a Bill been deliberately designed to influence future Parliaments. I am sure that good parliamentarians would not want to undermine or even question the doctrine of free-standing Parliaments, which is why I hope the House will support Lords amendment 15. An affirmative resolution at the start of each Parliament would both ensure the legitimacy of this Parliament in making a decision and reaffirm the doctrine that one Parliament cannot bind its successor.

Charlie Elphicke: I take the hon. Gentleman's point about an affirmative resolution, but nevertheless, that resolution would depend upon the action of the Executive. Proposed subsection (2) in the Lords amendment states that

"the Secretary of State may by order provide"

that the provision continues, so it would be entirely up to the Government. I put it to him that his point is therefore not a good one.

Mr David: With due respect, I think it is a good one. Purely in terms of procedure, as the Government have conceded, there needs to be an assessment of how this innovative constitutional legislation works in practice. That is a good idea, and I welcome the Minister's concession on it. However, the logical extension of that is an affirmative resolution at the start of the next Parliament. If the Bill is working well, that resolution should be agreed to. If it is not, there should be an opportunity to reconsider. I therefore hope that the House will look favourably upon Lords amendment 15. It is modest, sensible and pragmatic, and above all else it reflects the principles of parliamentary sovereignty to which we all adhere.

Mr Jenkin: It gives me some pleasure to speak in support of the Government in opposing these Lords amendments. It also gives me the opportunity to address the remarks of the hon. Member for Caerphilly (Mr David). From listening to his description of, and support for, the so-called sunrise clause, I thought he advanced some unusual and novel arguments, albeit that they were supposedly supported by eminent people. I suggest that their words may have been a little removed from their context, because the hon. Gentleman is asking the House to adopt the relatively new constitutional doctrine that no legislation should be passed that is in any way an attempt to bind successor Governments. Legislation binds not future Parliaments but future Governments, unless Parliament chooses to change it. I think he gets the terms "Government" and "Parliament" muddled up. Every piece of legislation binds future Governments to some extent, unless they manage to obtain a majority in Parliament to change it.

6.45 pm

It is ironic that the hon. Gentleman advances his argument in respect of this Bill, given that the subjects of the referendums that would take place under it would be matters that really did bind future Parliaments. Why else do we think the treaties mention "irreversibility" and "irrevocability"—rather absolutist, undemocratic language? They are intended to bind member states into something that cannot be undone, even by those sovereign states.

Today's debate is partly about the fact that we remain a sovereign state, within which this Parliament—and the Queen in Parliament—remains the supreme and sovereign institution of our constitution. This sovereign Parliament is laying down new rules for future Governments that will require them to have referendums on certain issues before more powers are transferred to the European Union.

Mr David: But that is precisely the point. What makes the Bill special, different and innovative is that it departs from virtually all other legislation in that its main provisions are applicable not to this Parliament but to the next Parliament.

Mr Jenkin: But that applies to a great deal of legislation. I do not understand the distinction that the hon. Gentleman is attempting to make. Actually, what the Bill will do is restrict the ability of Governments to give away power and to reach decisions in the EU and present them to Parliament as faits accomplis without reference to the people. That seems to me a thoroughly good and democratic thing.

The hon. Gentleman has given the game away this evening about the future direction of the Labour party's policy. What he has told the House tonight is that he is quite happy for aspects of the Bill to go through, but he is not happy for its provisions to apply to a future Labour Government. He does not want a future Labour Government to have their hands tied by the necessity of referendums before they give away more powers. He wants to go back to the system to which my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) referred—of signing up to treaties, promising referendums on them and then ratting on those promises. That was the record of the Labour Government.

I regard all these Lords amendments as completely unacceptable. Whatever shortcomings the Bill has—I am afraid there are many, because it is limited in scope—the amendments are designed to pull the guts out of this democratising measure. The vote threshold proposed in Lords amendment 3 is not a recognisable one but a perverse one. It does not suggest that unless the number of votes reaches a certain level, a decision cannot be taken. It suggests that if the votes do not reach a certain level, the Government and Parliament can carry on as they like. I thought the whole point of a threshold was to test whether there was a measure of consent for a particular constitutional change. The threshold in the amendment is not about testing whether there is a measure of consent but is more about testing whether there is a measure of resistance, or whether there is apathy.

Unfortunately, the people who have largely guided European policy in this country for the past 20, 30 or 40 years have got away with what they have done largely by relying on people's apathy and ignorance. The proposed threshold is designed to create an incentive for a Government who wish to transfer more powers to the EU to maintain high levels of apathy and ignorance. I am reminded of my late noble Friend Lord Whitelaw, who during the 1975 referendum accused the right hon. Anthony Wedgwood Benn of going around the country stirring up apathy. The amendment is a charter for going around the country and doing just that. It is completely unjustified and should be given very short shrift.

Lords amendments 6 to 13, to clause 6, are simply designed to rip the guts out of the Bill. My right hon. Friend the Minister for Europe very properly went through some of the things that Governments in future would be able to do without a referendum if the amendments were not disagreed to. Under the amendments, Governments could, without a referendum, give up the veto over foreign policy and over almost anything else under article 48(7). The amendments would allow the UK to join the public prosecutor and to extend the role of the public prosecutor to any serious crime with a cross-border dimension. We should think about what that means for the criminal justice system of this country. The amendments would allow Governments, without a referendum, to give up the veto over labour laws, taxes and planning, and the multi-annual financial framework and spending of the EU. The Opposition should shed no crocodile tears over how much the EU is spending if they are prepared to give up that veto without proper consent.

The amendments would remove the veto from all the enhanced co-operation procedures, which would enable what is effectively majority voting to come into effect in a whole lot of areas. Clearly, that is an anti-democratic provision. If there is one thing that ardent advocates of the EU should have learned, it is that that structure lacks popular consent. It legislates without popular consent. If there is one thing that true Europeans should want it is that we reconnect the decisions on how powers are exercised with popular democratic consent. The Bill goes some way towards doing that.

The sunrise provision is simply the last gasp of a past generation who are trying to neuter what is today called Euroscepticism. The support of the hon. Member for Caerphilly for Lords amendment 15 gives the lie to the idea that the new Labour party, under its new leader, is flirting with Euroscepticism. It is not. It has no intention of following through. It might pretend to be, and to sound, sceptical, and it might even start talking of an in-out referendum, inviting one or two of my more radical hon. Friends to fall into the trap of thinking that that is the way out, when it probably is not. However, the fact is that we need a Government who are prepared to negotiate vigorously, and to do so with the extra leverage and strengthened hand that the requirement for a referendum gives them.

Henry Smith: Does my hon. Friend agree that what we see from Opposition Members is not so much a rebirth of Euroscepticism as referendum cynicism?

Mr Jenkin: I agree with my hon. Friend. I rather like the hon. Member for Caerphilly, who is an engaging and assiduous parliamentarian, but I do not know whether he has given vent to his real feelings on these matters. Unfortunately, if one is speaking from the Front Bench, one's real feelings rarely matter. One just has to do the bidding of one's superiors. I just wish to end by—

Mr Cash: Before my hon. Friend ends his speech, would he be good enough to allow me to put one thought to him? The number of occasions when the referendum will be required has been dramatically, drastically and absurdly reduced by the Lords amendment. However, does he agree that the fundamental question is not whether we select what functions might or might not be affected, but the whole business of our relationship with the EU, that completely failed project, which is quite clearly causing enormous damage not only to the UK but to other countries? That is the test on which a referendum should be determined. It should not be determined just on the minutiae of individual questions, including the single currency, foreign policy and so on.

Mr Jenkin: If I follow my hon. Friend's question, he thinks that we should have a referendum on more questions than are raised in the Bill. I agree with him.

Mr Cash: My hon. Friend is a genuine friend. The referendum should be not on more questions, but the question: the European question.

Mr Jenkin: I know that my hon. Friend does not advocate an in-out referendum, but the general direction of the EU certainly merits a referendum at some stage. I still flirt with the idea that we should have a referendum on the proposed treaty amendment. My right hon. Friend the Minister for Europe adverted to the fact that four fifths of the British public think that we should have a referendum on any treaty amendment. That seemed to be the substance of the Government's original commitment, which has been hedged in the Bill.

Perish the thought that I am straying from my support for the Government on the Lords amendments—I would rather stay where I am—but I would finally wish to remark that the authors of the Lords amendments have a track record of their own. The introducers of the amendments are not minor figures. The amendment on the threshold was introduced by Lord Williamson of Horton—he who was secretary-general of the Commission during the passage of the Maastricht treaty; he who was the secretary-general who pushed through the social

[Mr Jenkin]

action programme, which negated any effective UK Government opt-out from the social chapter; and he who was one of the architects of economic and monetary union, which is now collapsing around our ears.

In Lords amendment 8 to clause 6, which incidentally completely fails to define, as my right hon. Friend the Minister for Europe said,

"a single, integrated military force",

Lord Williamson is pretending that we should have a referendum on defence matters. However, I would just pose this question: does NATO constitute

"a single, integrated military force"?

I would submit that it probably does not. We could therefore form a NATO-style command structure in the EU, which successive Governments have set their face against, and pass such powers into the treaties of the EU, without a referendum. I hardly think that the British people would vote for that.

The noble Lord Hannay, former permanent secretary at the Foreign Office and former chief negotiator for the UK in the EU—an illustrious and distinguished person—is also an author of the Lords amendments. Do not mistake me: I have great admiration for the ability and sincerity of those people, but I just advert to their track record of advocating policy on the EU. Lord Hannay said quite recently that the single currency would be quite a good thing for the UK, as did Lord Kerr of Kinlochard. As recently as 26 May 2009, the latter delivered a lecture in Edinburgh on monetary union, in which he lamented that we were not trying to join the single currency.

I raise those points not to stray from the substance of the debate, but just to question whether the people who proposed the Lords amendments should not stop trying to get Britain further into the EU, and start apologising for the appalling judgment and advice that they have given to successive Governments. Their advice has put this country into a perilous economic position—because of the state of the EU and the euro—but they have also advised successive Governments to hand over more and more powers. I would not usually criticise civil servants in public, but they are now taking part in the political process having advised successive Governments to hand over more and more powers, as a result of which Governments have been in an ever-weaker position from which to defend our national interests.

The Bill is a small step towards starting to redress the balance in the relationship between the overweening power of the EU and the people in this country governed by the laws it makes.

Mr David *rose—*

Mr Jenkin: I will give way briefly, but I am about to sit down.

7 pm

Mr David: I like the hon. Gentleman as he likes me. However, although we might have disagreements with distinguished ex-civil servants, it is important to place on record that all the individuals he has mentioned have been great public servants and took the lead from the Government of the day.

Mr Jenkin: Yes, but I am left wondering whether their advice to us from the House of Lords today reflects the advice they gave to Ministers and the policies that Ministers in their day pursued. I am also left wondering whether my right hon. Friend the Minister's advisers, when they go to the other place, will be advocating the policy he is now pursuing. I think that we are up against the establishment here. The establishment in this country is still wedded to the idea of ever-closer integration and even of joining the euro. I do not think that the British people or the Conservative party, which I think represents the aspirations of the British people on this subject, accept that view. I hope that there is a change of heart in Whitehall officialdom such that when the next generation of civil servants arrives, they will seek to re-establish the independence of the UK within the EU, rather than to carry on weakening it.

Andrea Leadsom: Does my hon. Friend agree that the referendum lock will place a new onus on successive Governments, if needs be, to work harder on any further giveaway of powers so that this and future Governments, rather than giving way to civil service opinion, will have to consider public opinion much more carefully and seek to justify any further transfer of powers? That has to be a good thing.

Mr Jenkin: I agree that it is a good thing, but I wish that the Bill applied to some of the powers that the Government want to give away now through treaty amendments and opt-ins.

Kelvin Hopkins: I will speak on these amendments only briefly because much has been said already that I need not repeat. I took the trouble to spend some time in the Library going through the Order Paper and amendments, and I wrote against each of them, "KH against"—those are my initials, so it meant that I was personally against all of them—which seems to be in line with the Government's position. I hope therefore that my hon. Friend the Member for Caerphilly (Mr David) will advise Labour Members either to abstain or to support the Government's position.

The amendments have clearly been moved by people who are trying to undermine and wreck the Bill by making it toothless. It is not a strong Bill but, with the amendments, it would be feeble indeed. To restrict referendums to these three areas only would leave enormous scope for those who want constitution creep to succeed. I do not want it to succeed; I want the Government at least to consider a referendum for any significant change to any EU constitution. As to joining the euro, I think that the Labour Front Bench has become more Eurosceptic. There is no prospect of us supporting joining the euro, and one can see that very few Labour Members are willing to come along and take a strongly pro-euro position, as was perhaps the case under the previous Government and ones before that. I am pleased about that because I have been critical about joining the euro for many years.

The euro is in very serious trouble. As of today, we are talking about Italy—not just Ireland, Portugal and Greece—as being a significant problem. I also understand that the French proposal to roll forward the Greek debt and not to take too strong action has been rejected—I suspect by Germany. The euro faces serious problems,

and I suspect that before long the euro may unravel and that several national currencies may be re-established to allow countries to adjust to their economic needs and choose their own interest rates and parities with other currencies, including with what remains of the euro.

Mr Cash: Does the hon. Gentleman accept that over the past few months we have been trying to stem a tsunami, and that for practical purposes it all boils down to one thing, which is the European question as a whole? Does he also agree that the invasion of the Italian interest, and possibly the Spanish and others, is proof that the whole project is a total failure and that the British people agree?

Kelvin Hopkins: The hon. Gentleman recently said that the tectonic plates were starting to move. I think that he is right. Senior civil servants have even said in public that the game is over. I have talked about the sands shifting rather than tectonic plates—different metaphor, same thought. The Governments of Europe will now have to listen not just to their own people, who are increasingly Eurosceptic, but to those in the global financial system who now have doubts about the future of the euro.

My hon. Friend the Member for Caerphilly said, "We're not going to have a referendum on paper clips." Such matters are indeed referred to the European Scrutiny Committee, of which the hon. Member for Stone (Mr Cash) is Chair and, on the Committee, we leave no stone unturned, as I am sure he agrees. Paper clips are not a constitutional matter, although some people might argue that we do not want the EU interfering in our paper clips. On constitutional matters, we want to leave things open for Governments to choose when a referendum is appropriate, not to restrict the provisions to the areas in the amendments. There are those who would seek to use every opportunity to extend the EU's control by skirting carefully around these tight definitions of areas that would require referendums. However, the Committee, led by our Chair, does a good job on non-constitutional matters—several of its members are in the Chamber now and would, I am sure, agree.

The sunset clause puts the onus on a Government after an election to reintroduce the legislation, and no doubt a sensible Government would do that, but if there is no sunset clause, the onus is on the new Government to get rid of the legislation. They could do that by repealing it, but they would then face the anger of the British people for having taken away their referendum rights. A sunset clause is very different from the possibility of repeal after election. The House can repeal any legislation—even, I suspect, treaty obligations. Over time, we could say that we wish to withdraw from a treaty. No doubt we would have to give notice and negotiate, which would cause all sorts of difficulties, but the House could, if it chose, withdraw from a treaty. If there were to be a referendum on membership of the EU and there was a substantial vote in favour of withdrawing, the House would have to debate withdrawing from a treaty. It would have to tell that to the EU. I am not saying that that is going to happen any time soon, but it is a possibility. If a particular piece of legislation is not to the taste of a future Government, they could repeal it, but that is very different from having it automatically die at the point of an election. I therefore strongly oppose the sunset clause, and if there are Divisions on any of the Lords amendments, I will certainly vote against them.

Chris Heaton-Harris: It is always a pleasure to follow the hon. Member for Luton North (Kelvin Hopkins), who is a very wise and knowledgeable man in this regard.

The European Union Bill is not exactly what I thought we were going to get at the start of this process. When I stood for Parliament, I was looking forward to a sovereignty Act or a Bill of Rights—something with quite a lot of guts in it. We have now had this forced marriage between my party and the Lib Dems, however, and the dowry that we paid involved the slight watering down of many of the items that I, standing on a Conservative manifesto, would have liked. This was one of them.

After our debates on the Bill here and in Committee, during which it was lovely to learn all about how Parliament works, we happily sent the Bill on its way to the Lords. It was interesting to note that the Opposition decided that they did not have any views on Europe at that point. They decided not to vote; it was a matter of a one-line Whip, and they really preferred it if most of their Members went home. That gives me even more reason to admire the hon. Member for Luton North, who has stuck with the Bill through thick and thin during its progress through this place.

At the end of the Bill's Third Reading, I said that I could hear strange noises emanating from the other end of the building, as though tombs were opening and strange beasts appearing. The Minister for Europe is much more generous and benevolent than I am when describing the people in the other place who have amended the Bill. For me, the Lords amendments have raised a huge number of concerns.

My first concern is about the turnout threshold. When their Lordships were discussing the alternative vote referendum, not many of them were interested in thresholds; the wonderful Lord Williamson of Horton, who tabled amendments on thresholds in this Bill, was certainly not. He was much quieter on thresholds in the AV referendum, but I am sure that his views on thresholds in matters European were not in the least influenced by his time as a career civil servant who served as head of the European secretariat in the Cabinet Office from 1983 to 1987, and as Secretary-General of the European Commission from 1987 to 1997. He was ably supported on one particular amendment, which did not pass, by Lord Liddle, about whom I shall say more in a moment.

Lord Liddle had an interesting take on why the Lords were trying to confuse what we had passed in the House of Commons. Speaking to a consequential amendment to amendment 5, he said that

"if you are seriously committed to Britain's participation in the European Union, you want a British Government to be able to respond flexibly to events and to be a good partner to our partners in the Union. We cannot completely tie our hands in advance when we do not know the future—as the example of the European stability mechanism shows."—[*Official Report, House of Lords*, 8 June 2011; Vol. 728, c. 311.]

I only wish that we had had this Bill before the European stability mechanism was proposed. That would have ensured a very different financial outcome for our country.

Those were the wonderful bits about the threshold. The amendments to clause 6 also give me great cause for concern. They are the bits that cut out all the

[Chris Heaton-Harris]

referendums that we in this place want to see. Lots of the amendments tabled in the other place were tabled by Lord Hannay of Chiswick. He was the UK's permanent representative to the European Union from 1985 to 1990; he was part of the diplomatic service, bless his soul. Others were tabled by a very special man whose credentials I cannot criticise: Lord Liddle, who was a special adviser to Tony Blair when he was Prime Minister from 1997 to 2004. He then went to Lord Mandelson's Cabinet, and he was principal adviser to the President of the European Commission from October 2007. A third person in the Lords also tabled amendments on these matters: Lord Tugendhat. He was a Conservative Member of Parliament from 1970 to 1976, after which he was a European Commissioner. Hon. Members will be able to see a theme developing here in regard to the sort of people who have tabled amendments at the other end of the corridor and who want to wreck these measures.

7.15 pm

Mark Reckless: Will my hon. Friend, as an ex-Member of the European Parliament, explain the difference between his position and that of the individuals he has described who, in some cases, have a pension from the European Commission? Does he agree that, were they to speak or act in a manner that was contrary to the interests of their previous employer, they might have their pensions taken away?

Madam Deputy Speaker (Dawn Primarolo): Order. That is not relevant to the amendments that the hon. Member for Daventry (Chris Heaton-Harris) is addressing. He should come back to them and to his reasons for disagreeing with them.

Chris Heaton-Harris: First, I shall give way to the hon. Member for Luton North.

Kelvin Hopkins: I am interested to hear about the particular Members of the House of Lords whom the hon. Gentleman mentioned, but he ought also to mention a number of Conservative former Members of this House who were enthusiasts for, and indeed constructed, the policy for joining the exchange rate mechanism, which almost led to an economic collapse and certainly led to the collapse of support for the Conservative party. It is only fair to mention them as well.

Chris Heaton-Harris: Please do not steal my thunder for later. I am aware that Madam Deputy Speaker might rule me out of order, so to stay well in order, I shall detail how the peers at the other end of the corridor have taken away referendums from the people on matters of EU taxation.

But hold on, let us not talk about Members of the House of Lords. It was difficult to understand from the comments of the hon. Member for Caerphilly (Mr David) whether Labour supported the British people having a referendum on an EU tax. We know that the peers do not, because they voted on that matter, but we do not know whether Labour Members would troop through the Lobby in favour of that proposal if we were to get into a game of constitutional ping-pong with the Lords this evening. What about foreign policy? That referendum has been taken away from the British people. Will Labour Members support us in the Lobby on that question? What about the questions on the abolition of vetoes, the European public prosecutor's office, the transfer of power in employment law, operational defence policy or the introduction of a carbon tax?

Graham Stringer (Blackley and Broughton) (Lab): The hon. Gentleman is listing a lot of important subjects. Quite frankly, I would support an EU referendum on paper clips, because, whatever the referendum was about, the British people would take the question to be one of whether or not they were in favour of the European Union. Everyone would understand that. I therefore support more items being placed in the Bill on which we would be allowed to have a referendum. What the British people want is a referendum on whether we should be in or out.

Chris Heaton-Harris: If only the hon. Gentleman's Front Bench were as wise as he is. I know that he has been campaigning on this issue for a long time, and I thank him for his contribution.

If only those on the hon. Gentleman's Front Bench could come clean and tell the British what they actually believe on these matters. Do they trust the British people enough to give them a vote on these matters? We are not sure, because up at the other end of the building, where the red Benches are, Labour Members—including Front Benchers—have trooped into the wrong Lobby on these matters on too many occasions. We would very much like to know where Labour Members stand on this. This is the fog of war as far as they are concerned. They want to rattle a few cages and see what comes out, but they certainly do not want to get caught stating any policy. However, these matters are fundamental to the sovereignty of the United Kingdom, and it would have been good to hear something definite from the hon. Member for Caerphilly tonight. Perhaps the hon. Member for Wolverhampton North East (Emma Reynolds) will help us out later.

Mr Cash: In a sense, this whole group of amendments is a con trick and an illusion. The test to be applied in regard to the number of people who vote in an election is a matter on which I spoke very strongly in the AV referendum debate. As my hon. Friend the Member for Daventry (Chris Heaton-Harris) said, many of the people who tabled amendments on thresholds were not the slightest bit interested in them at that time. There is therefore an inconsistency of principle involved. What they are promoting, and everything that they have been doing over the past 27 years since I have been on the European Scrutiny Committee, during which time I have had the pleasure of watching their perambulations and machinations, is designed to force us further and further down the route towards European integration. They have advised Governments of all hues on the Maastricht treaty, the European Government, the exchange rate mechanism and the Nice and Amsterdam treaties.

I must have tabled the best part of 1,000 amendments against those treaties over the past 27 years, and with great pleasure. I have devoted, I suppose, almost a political lifetime to opposing every single thing that

those noble Lords have put forward. I do not need to specify them individually; all I will say is that I regard them as having conducted a process that has led to the destruction of the European Community and, now, the European Union. One has only to look at what is happening today and to ask who is responsible for what has occurred. It has been a concert party—a concert party involving not only the United Kingdom establishment but, worse still, the European establishment alongside the United Kingdom establishment—that has led to the mess that the European Union is in now. As I said to my right hon. Friend the Prime Minister when he came back from the European Council the other day, although we are glad that he felt obliged to deny that we would be involved in the Greek bail-out—having conceded, I am sad to say, that we would be involved in the bail-out of Portugal—he now has the opportunity, as the Prime Minister of this country, to go forward in the national interest and renegotiate the treaties, to get us out of the mess that those noble Lords, individually and collectively, have got us into.

Steve Baker (Wycombe) (Con): We are all grateful to my hon. Friend for his lifelong service on this issue, but on the esoterica of this group of amendments, can he clarify for me that, taken as a whole, they are simply spoiling amendments?

Mr Cash: They are, and it is for that reason that I will not be able to vote for them, even though I happen to have some sympathy for the idea of a reasonable test for referendums. However, these amendments are a blind—an attempt to get people to go along with the 40% test for the electorate on the one hand, but also to associate them with a whole range of matters that are entirely inimical to the interests of the United Kingdom. I am not particularly interested in the list that the Government have produced; as I said at the beginning of the proceedings on this Bill, I think that it is a mouse of a Bill. The issue on which we now need to concentrate is the big landscape and the fact that, as the European Council on Foreign Relations paper argued the other day, Maastricht has to be revised. We will have to return to the question of what kind of Europe we want.

This list of proposed matters—which will never come up in this Parliament, as we know—is, therefore, a blind in its own way, but to reduce it to three core issues really makes it an absurdity. I say to my right hon. Friend the Minister that on the big landscape, this is the time for us to take a bigger, more responsible and more statesmanlike view, in the interests of the people of this country, to see the European question as the failure that it is and to get down to the serious business of renegotiating all the treaties and moving to an association of nation states, so that we can work together co-operatively, rather than by co-ordination, to deal with the real, practical problems that this country faces—the Brazils, Indias and Chinas of this world—instead of dancing on the head of a pin, as we are with most of this Bill.

My argument to my right hon. Friend is very simple. He may have the advantage of having come forward with a few proposals that touch at the margins of this issue, but the real question is what is he—or, indeed, the Prime Minister—going to do to get us out of the mess that those treaties have got not only us but the people in Europe into? Indeed, young people aged between 18 and 25 in several countries are now suffering unemployment of 47%. It is absolutely impossible to accept that, and as I said in the 1990s, when this whole system collapses, it would not surprise me to see the rise of the far right and massive unemployment, destabilising the entire European Union, with the most devastating consequences for the international order. That is the problem that we are faced with, and that is why these amendments are not to be accepted.

Lords amendment 3 disagreed to.

Lords amendment 4 agreed to.

Lords amendments 5 to 13 disagreed to.

Clause 18

Status of EU law dependent on continuing statutory basis

Mr Lidington: I beg to move Government amendment (a) to Lords amendment 14.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss Government amendment (b).

Mr Lidington: I should like first to recognise that the issue we are debating is, to an extent, an issue of detail that has aroused some fairly intensive debate, involving some extremely experienced and high-powered lawyers. It is not an issue related to the rationale for clause 18 as a whole, and I welcome the acceptance by the House of Lords of the rationale for a provision of this nature. Indeed, the author of Lords amendment 14, Lord Mackay of Clashfern, said when he presented his amendment on Report in the other place that there was very little between his position and that of the Government on the point of principle, saying:

"It is important that this declaratory measure"—

that is, clause 18—

"should be made because of the theory sometimes propounded that Community law in the United Kingdom derives from the treaty alone by virtue of the European Union legal order. I believe that it is right that we should make it plain at this juncture that that is not so."—[*Official Report, House of Lords*, 15 June 2011; Vol. 728, c. 790.]

However, noble Lords who voted in support of Lords amendment 14 took the view that the European Communities Act 1972 is the only route by which EU law takes effect in the United Kingdom, and that all the references to directly effective or applicable EU law in other Acts are linked to that Act. Lords amendment 14 therefore amends clause 18 to refer specifically to the European Communities Act 1972, rather than to the wider reference point of "an Act of Parliament", in order to affirm that this is the sole route by which directly effective and directly applicable EU law takes effect in the UK.

Mr Cash: I rather suspect that my right hon. Friend expected that I would rise at about this point. Very quickly, the European Communities Act 1972 might be the Act of Parliament by virtue of which we voluntarily entered into the acceptance of European law—as it has accumulated, like a tsunami, since 1972, both widening and deepening—but does he not agree that the crucial words are those of Lord Bridge in the Factortame case,

[Mr Cash]

who said that we voluntarily did that? Therefore, the special significance of the 1972 Act has to be tempered by the fact that it was what Parliament decided at that time. That is the crucial question to which we shall turn shortly.

Mr Lidington: I agree with my hon. Friend, and I am sure he will recall the debate on these matters on Second Reading and particularly on the first day in Committee when we spent an entire day debating clause 18. He will also recall—it is clear from *Hansard*—that I made it clear on behalf of the Government that the European Communities Act 1972 had effect in this country, so European law had effect here insofar as it stemmed from that piece of legislation, because Parliament had willed that that should be the case. If a future Parliament were to decide to repeal that Act, it would be perfectly within that Parliament's power so to do, although my hon. Friend would be the first to appreciate that there would be immediate consequences for the UK's treaty obligations. There would be a political crisis at that point. We debated that important issue of principle for a day in Committee, as I said, but I want to try to focus on the Lords amendments now.

7.30 pm

Mr Cash: Indeed. That is precisely why my right hon. Friend knows I must move on to ask him about the assertions of certain members of the Supreme Court—criticised by the late Lord Bingham in severe terms—to the effect that Parliament has only a qualified sovereignty and that the ultimate authority effectively rests with them. It is precisely for that reason that we should be extremely anxious to ensure that no words are imported into this clause, as the Bill leaves this House and will finally be enacted, that would in any way allow the Supreme Court to move in on that territory and claim ultimate authority.

Mr Lidington *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I have been generous to the hon. Member for Stone (Mr Cash) as the Chairman of the European Scrutiny Committee, but his interventions are getting very long. I realise that these are important points, but he is always able to catch my eye if he wants to expand on them.

Mr Lidington: I make two points to my hon. Friend. First, the only reason the Supreme Court has power to adjudicate here on European Union matters is because Parliament has provided for directly effective and directly applicable EU law to have effect in the United Kingdom legal order by virtue of passing statutes that give European law that direct effect and application here. Secondly, as I think my hon. Friend knows—he is being a bit mischievous—he is trying to tempt me again on to a much broader issue, which is the important philosophical question of whether ultimate legislative supremacy lies with Parliament or whether parliamentary sovereignty is a construct of the common law controlled by judges. Speaking as an elected parliamentarian, I am quite clear and argue quite naturally that Parliament as the elected limb of body politic must have the ultimate say, but in making that case we are entering into a philosophical debate that goes way beyond the parameters of the European Union Bill, let alone Lords amendment 14.

Let me return to the Lords amendment. I am mindful of the arguments advanced by Lord Mackay of Clashfern and his supporters in the House of Lords, and I greatly appreciate their legal expertise. We considered Lord Mackay's arguments very carefully both before the debate in the other place and following the Lords acceptance of the amendment. I sought further legal advice on this point, and the Government's view remains that although the European Communities Act 1972 is indeed the principal means by which directly effective or directly applicable EU law takes effect in the UK, a number of other Acts of Parliament also give effect to EU law independently of the 1972 Act. For example, provisions of the Scotland Act 1998, of the Government of Wales Act 2006 and of the Northern Ireland Act 1998 put Ministers from the devolved Administrations under an obligation to act in accordance with EU law. Some of those settlements define EU obligations in a manner similar to the language used in section 2(1) of the 1972 Act—but, significantly, they do so not by reference to that Act.

The Government are therefore concerned that, were this House to agree with the Lords amendment as it stands, it could create the risk that the courts interpret this clause as restricting the ability of legislation other than the 1972 Act to incorporate directly applicable or directly effective EU law into UK law. That, in turn, could ultimately mean that clause 18 could be interpreted as being more than declaratory, which would rather undermine what we are trying to do with this Bill. This would not, in our view, reflect the law accurately, and so we seek to disagree with the Lords amendment as currently framed.

In that sense, I agree entirely with the arguments put forward by my hon. Friends the Members for Stone (Mr Cash) and for Aldridge-Brownhills (Mr Shepherd), but I also recognise Lord Mackay's point that the 1972 Act is the primary conduit for directly effective and directly applicable EU law to take effect in the United Kingdom. In recognition of this concern, the Government propose a change of wording to the Lords amendment that would retain the reference to the European Communities Act 1972 but, importantly, also refer to the existence of other Acts of Parliament that also give effect to EU law.

Mr David: I understand the right hon. Gentleman's point and I have sympathy with his argument. Crucial to the argument, it seems to me, are the words

"by virtue of an Act of Parliament".

What is the difference between putting those words at the end rather than at the start of the clause, where they were initially?

Mr Lidington: I decided to include the words on the basis of the best legal advice available to me across Government at the time. When preparing the Bill for introduction into this House, I examined the wording and the question of whether a reference to the 1972 Act alone would be appropriate. I was given very clear legal advice that, because of the other statutes that make reference to the application of EU law, a simple reference

to the 1972 legislation would not suffice. That explains the original wording of the Bill that came before the House of Commons.

What we have sought to do in framing our amendments to the Lords amendment is to recognise the view that the other place took that clause 18 should incorporate language that recognises the particular importance of the 1972 legislation. We see no reason why we should not amend the clause to make a specific reference to the 1972 Act so long as the clause also makes reference to those other Acts that give effect to EU law. This reflects the Government's consistent position that other Acts of Parliament—independently of the European Communities Act 1972—might also allow for the incorporation of directly effective and directly applicable EU law into the UK legal order.

Mr Jenkin: I still do not understand what was wrong with the Government's original drafting.

Mr Lidington: We believe that the original drafting met the tests that we had set to implement our policy of having a declaratory clause. What we are trying to do is to express through Government amendments the point made in the House of Lords that the 1972 legislation is of particular importance, while preserving the point of principle that we believe was incorporated in the original language as debated by the House of Commons.

Mr David *rose—*

Mr Lidington: I want to make some progress.

It is not only the devolution legislation that mentions European Union law. The Company Directors Disqualification Act 1986, the Chiropractors Act 1994 and the Competition Act 1998 are further examples of legislation that allows European Union law to have direct effect in this country. Section 9A of the Company Directors Disqualification Act requires the United Kingdom to make a disqualification order against a person in certain circumstances, including circumstances in which an undertaking commits a breach of competition law under either article 81 or article 82 of the EC treaty—now articles 101 and 102 of the treaty on the functioning of the European Union. That Act refers directly to the treaty provisions without referring to the 1972 Act.

The amendment accepted by the other place removed the reference that makes it explicit that only by virtue of such Acts does directly effective and directly applicable EU law take effect in this country. Removing that reference leaves open the possibility of arguments that directly effective and directly applicable EU law could enter our law by other means, thus undermining the rationale behind the clause. The amendments that the Government propose seek to restore that important qualification, and to remove any doubt about whether directly effective or applicable EU law could enter United Kingdom law by other means.

Mr Cash: Will my hon. Friend give way?

Mr Lidington: We welcome the acceptance in the House of Lords of the principle of clause 18, and recognise the concerns raised by colleagues there about the formulation of the clause. We believe that our amendments will both meet the concerns expressed by the proposers of the amendment and ensure that the provision reflects the law accurately. I therefore urge Members in all parts of the House to support them.

Mr Cash: I am sorry that the Minister deemed it unnecessary, or undesirable, to accept my intervention, but that does not prevent me from making my point.

As the Minister will recall, it was the clear view of the European Scrutiny Committee that clause 18 was unnecessary. I am glad to say that a conversation in which I engaged today with one of my—let us call him—long-standing contestants in matters European, Lord Howe of Aberavon, confirmed that he shared our view. I have great respect for his legal knowledge, and I am delighted that we have achieved such a degree of understanding.

The Government are embarking on what is, in matters constitutional, an extremely dangerous path to tread: a primrose path that could lead to disaster. I know that there was a great deal of detailed discussion—I hear of these things—with Lord Mackay of Clashfern, who, after all, used to be Lord Chancellor, and indeed was Lord Chancellor at the time of the Maastricht treaty. I remember well, as I am sure he does, that the whole business of European government was conceded, to our deep regret; hence the rebellion which I had the pleasure to lead.

The Government appear to have been caught on the horns of a dilemma, and I think that they should have dealt with that in a different way. On one hand they are confronted with the European Scrutiny Committee, the expert legal advice that it has received, the further consideration that it has given to these questions throughout the intervening period, and its conclusion that clause 18 is unnecessary and undesirable. On the other hand—the other horn of the dilemma—is the view of Lord Mackay of Clashfern that the amendment is merely declaratory.

7.45 pm

Unfortunately, in taking the line of least resistance—which, I am afraid, is their hallmark in matters European—the Government have fallen between two stools, and impaled themselves on the horns of the dilemma. I think that Members should feel impelled, as I do—for very sound reasons, which I shall now explain—to vote against the Government's amendments and echo the concern expressed by the European Scrutiny Committee, which was supported by powerful advice.

As I have said, our Committee took a great deal of evidence from some very distinguished constitutional and legal experts. It is all on the record, and we need not go into the detail—what we need to discuss is what has happened since then—but I will say that, as Chairman of the Committee, I ensured that the evidence was evenly balanced. We weighed up all the evidence from the greatest experts who could possibly express a view on the subject, and reached conclusions that were supported by the majority of that evidence.

The Committee took the view that the principle of parliamentary supremacy should not be declared in statute, and that using the words

"It is only by virtue of an Act of Parliament that"

in a statutory provision such as clause 18 is tantamount to stating that there shall be parliamentary supremacy. However, the very stating of that undermines the central

premise, which is that it does not need to be stated, and the danger of stating it is that, ultimately, the Supreme Court will be allowed into this sacrosanct arena.

We are not talking about some technicality; we are talking about the very reasons for the existence of this House of Commons. Law is passed on the basis of views that are taken in a freely elected democratic assembly, which themselves refer to the decisions made by the electors in a general election. The issue of parliamentary sovereignty in the context of the European Union is that ever since Maastricht, and to some extent before it, decisions made, for example, by majority vote have often proved inimical to policies espoused by elements of the Conservative party, and indeed by our manifesto.

One simple example is the repatriation of powers. The Government are faced with a conflict. In December 2005, when the Conservatives were in opposition, the present Prime Minister said that there should be a repatriation of social and employment legislation. Both Back Benchers and those now in the Government—including the Minister for Europe—opposed the Lisbon treaty in every respect. For the first time since 1972, the party was totally united. Now we find ourselves in the difficult position of being confronted with amendments that would allow an infringement of sovereignty, subject to final interpretation by the courts. The reversal of the hierarchy of norms that parliamentary supremacy implies is itself put at risk by the wording that the Government have chosen in their attempt to balance the views of Lord Mackay of Clashfern and the European Scrutiny Committee. The Government have chosen the easy way out, but it is not going to be easy—or, indeed, of any value whatever. It is extremely damaging to the national interest and the constitutional status of this House of Parliament. It may seem to be a few words, but unfortunately this issue has profound consequences.

The debate in the House of Lords could be said to have shown that a legitimate confusion can arise from enshrining in statute an unnecessary declaratory statement. To quote a former first parliamentary counsel's comment: "unnecessary words turn septic." Unnecessary words do not turn Eurosceptic; rather, they turn septic. That is what first parliamentary counsel said and, unfortunately, that is what both the Government's amendment to the amendment of Lord Mackay of Clashfern and his amendment itself achieve. They create a kind of septicaemia in the adjudication of matters of sovereignty, and will give the courts the purchase that was originally implied in the explanatory notes, which referred to the common law principle. We went into this matter both earlier in the debate and in our report. When the Bill went to the House of Lords, the Government took the infamous reference to the "common principle" out of their explanatory notes—I give them credit for having listened to us on that. They did so because they knew of the dangers inherent in respect of the courts, and certain members of the Supreme Court who have an increasing tendency to make certain comments, as expressed in the Jackson case and Lord Bingham's criticism, by name, of the judges involved. He was extremely upset and concerned, and for very good reasons.

Two additional problems arise from the fact that Lord Mackay's amendment refers to the European Communities Act 1972. First, let me stress that my comments here should not be taken to prejudice the remarks I have already made that it is not about the 1972 Act exceptionally, but rather that Parliament has voluntarily agreed, as Lord Bridge said in the Factortame case, to incorporate that Act and therefore to allow all the consequences that flow from it, which are accumulating and, in my view, are extremely damaging to the United Kingdom and the people of this country in their daily lives. If we specify "European Communities Act 1972" rather than "an Act of Parliament", an argument can properly be made that we are, effectively, disabling Parliament from giving effect to European law in future by means other than the European Communities Act—or, in other words, by a new Act. This is the law of unintended consequences, but made much more serious given the context of parliamentary supremacy.

The other problem is a technical question about an important issue relating to statutory interpretation. However much we in this House may wish to regard this matter as just a matter of debate, unfortunately when it gets into the clutches of the courts and certain elements in the Supreme Court who have a tendency to want to push the envelope on these issues, the reality is that it ceases to be a technical question, and becomes a very important constitutional question. I state unequivocally that that has led me to the view that I have to resist the Government's amendment, and I urge other Members to do the same. If we specify "European Communities Act 1972", a question arises as to whether that reference would cover future amendments to that Act after this Bill is enacted.

I am going into the details of all this because I want them to be on the record; the devil is in the detail. The Interpretation Act 1978 is the basis on which I believe the provision under discussion will be interpreted by the courts. Once it has left this House with these offensive words in it, as prescribed by Lord Mackay of Clashfern and the advice he has given to the House of Lords, it will become the law of the land and will then ultimately end up in the Supreme Court, with extremely unpredictable unintended consequences. There will then be a very dangerous situation. That is why I am taking the trouble to set all this out. The Supreme Court also has an obligation to consider what has been said in Parliament.

Turning to the point about statutory interpretation, as I have said the question arises as to whether the reference to the European Communities Act 1972 would cover future amendments to it after this Bill has been enacted. Section 20(2) of the Interpretation Act is ambiguous on this very difficult point, as is said in Francis Bennion's superb volume on statutory interpretation. Section 20 provides:

> "Where an Act refers to an enactment, the reference, unless the contrary intention appears, is a reference to that enactment as amended, and includes a reference thereto as extended or applied, by or under any other enactment, including any other provision of that Act."

In a case on an analogous provision in a tax statute, the court in question held that applying it to future amendments was to give it

> "a width of application which the wording, at best equivocal, could not bear, especially in a taxing statute."

The Lords amendment therefore raises a doubt about whether clause 18 will apply to future amendments of the European Communities Act 1972 and consequently raises an unnecessary doubt about the application of the principle of dualism to such future amendments—in other words, opening the door to interpretation by the courts on this fundamental question.

Mr Jenkin: May I just test my understanding? Am I right in thinking that my hon. Friend is saying that the original wording of the clause, covered by the Interpretation Act, covered everything, but referring specifically to the European Communities Act 1972 serves to limit the meaning of the clause so that future amendments to the 1972 Act will not be covered by it and are therefore subject to the interpretation of the Supreme Court?

Mr Cash: Effectively yes, and that is the one thing we wanted to avoid above all else. That is why the Committee took the view that it did on clause 18, as shared by Lord Howe of Aberavon, who is by no means a Eurosceptic. On a matter of clear interpretation after very considerable consideration—he is both a former Foreign Secretary and distinguished Queen's counsel who brought the European Communities Act into being in the House of Commons in 1972—he says that clause 18 is completely unnecessary. He agrees with the Committee, and now, for the sake of trying to counter-balance the views of Lord Mackay of Clashfern, the Government are falling into the trap that I have described and making the potential for interpretation by the courts extremely dangerous.

8 pm

If there is to be a clause 18, for the reasons that I have outlined, the version that went to the Lords from the Commons should be preferred to the Lords amendment in the name of Lord Mackay of Clashfern. As I proposed in the amendment to Government amendment (b), the words "Act of Parliament" are to be preferred to "the European Communities Act 1972". The Government's amendment addresses these issues, but it would be much better not to state the principle at all; the amendment fails to deal with the trap that has been set. I know Lord Mackay of Clashfern to be a distinguished and canny Scots lawyer, and he understands exactly what he intends. He has, by the most clever sleight of hand, reinserted into the provision—*[Interruption.]* I see the Minister shaking his head and I shall give way to him.

Mr Lidington: I respect my hon. Friend's expertise in this area, but to suggest that Lord Mackay of Clashfern would be party to any kind of sleight of hand is not to do him justice, and I hope that my hon. Friend would reconsider that point.

Mr Cash: I have no problem in acknowledging someone's powerful views on constitutional questions. For example, I remember during the Maastricht proceedings that the noble Lord was quite clear on the question of whether the Maastricht treaty took us further and deeper into the integration process. He argued that it did not make any difference in principle because the 1972 Act already conceded that there had been a change in the constitutional position and, to all intents and purposes, there was, thus, no real change in the substance of the issue. That is not to accuse anybody; it is merely to recognise that they have a constitutional viewpoint and to recognise how they really regard the encroachments on our sovereignty, which were evident in the Jackson case, in the evidence that the Committee received from many distinguished witnesses and in the fact that the Government's previous explanatory notes led us into a situation where we criticised the Government and they withdrew the offensive words, precisely for the reasons that I am presenting.

The reality is that we have caught out the Government on their wording and they have now acquiesced in other wording which opens the door to statutory interpretation by the Supreme Court. That is the kernel of this matter. Whether or not my right hon. Friend the Minister really likes the way in which I have expressed this is neither here nor there. The real question, on which I challenge him, is this: does he deny that the wording in the Government's amendment, in response to the Lords amendment, imports the opportunity for the Supreme Court to apply statutory interpretation and, thereby, to create a situation that could be best avoided, as set out by Lord Howe of Aberavon, our European Scrutiny Committee and the evidence that we received from so many people, by having no clause at all, rather than the current clause 18?

The Minister knows that I feel very strongly about the fact that we promised in our manifesto a sovereignty Act, and that was the consequence of discussions at the very highest level with the leadership. We knew that that was put into the manifesto as a direct response to the promises that were made. The bottom line is that we were given a second-rate provision that is unnecessary and that has since been criticised by the European Scrutiny Committee and eminent constitutional experts, including Lord Howe of Aberavon, and what the Government are introducing merely acquiesces to a degree in what Lord Mackay of Clashfern has proposed. That simply is not good enough and the Government should withdraw the proposed clause while they have the opportunity to do so. It is for those reasons that I shall be voting against it.

Mr David: This long debate, which has taken place over a number of months, has almost come full circle. I recall that we began our deliberations with the hon. Member for Stone (Mr Cash) and others saying that what had been originally promised was a sovereignty Act but what was proposed was a truncated, boiled-down and diluted version of their intention in the form of a solitary clause—clause 18. Whichever permutation of clause 18 one looks at, be it what was originally suggested by the Government, the Lords amendment or the Government amendment to the Lords amendment, one finds that it is basically a declaratory statement. It does not take us back or forward; it is a pious declaration, a statement of fact and a statement of the legal position at the moment. Therefore, it does not do any harm and, in fact, it could possibly be useful.

There has been a modest change of emphasis in Government amendment (b) to the Lords amendment, and it is a sensible one. The words "by virtue of an Act of Parliament" were omitted from the Lords amendment and we were concerned that the emphasis was being placed solely on the 1972 Act. Although we recognise that that is the most important piece of legislation regarding the primacy of European law, other items of legislation are involved here. I was particularly pleased that the Minister referred to the legislation on the devolved institutions, as that is important in ensuring that we take a comprehensive approach. Therefore, the Government have put forward a modest improvement to what was suggested by the Lords. I recognise that they have gone some way towards accommodating what the Lords have said and I welcome that, which is why we will be supporting the Government amendment.

Mr Cash: Is the hon. Gentleman actually saying that he agrees with the Government's proposal, notwithstanding what has been said by the European Scrutiny Committee, Lord Howe of Aberavon and all the other people I have mentioned, and notwithstanding the most powerful legal advice that has been submitted, which suggests that this is a very unwise and dangerous move, for the reasons that I have set out?

Mr David: With all due respect, I say to the hon. Gentleman that I have read in great detail all the evidence that was given to the European Scrutiny Committee and I think that his summation of it is his interpretation of the evidence given. Most of the witnesses to the European Scrutiny Committee said, as I have said, that clause 18 is a statement of fact and that it does not take us forward or back. Therefore, we should not get hot under the collar about it.

Mr Jenkin: I do not wish to detain the House for more than a few minutes. I had not intended to take part in this debate, as I took part extensively in the debate on clause 18 in Committee and I thought that we had covered all the issues then. I had become reconciled to accepting the clause as the Government had drafted it and I came to today's debate expecting my hon. Friend the Member for Stone (Mr Cash) to make a technical argument, but one that would not necessarily excite me—of course I was wrong. The hon. Member for Caerphilly (Mr David) says that the clause does not take us back and it does not take us forward, but he has missed the fundamental point about the revised drafting of the clause. I am not a lawyer—I am an amateur lawyer—but ever since we started discussing this clause earlier this year, I have had the sinking feeling that we are in very deep water and that we are potentially creating completely unnecessary problems for this House and for Parliament. I say that because the sovereignty of Parliament is axiomatic; it is self-evident and it is a historical fact.

We do not need to legislate in any way to maintain the sovereignty of Parliament. There would have been some virtue in a declaratory Act with the legal effect of returning powers to the United Kingdom from the European Union to redress our relationship so that we had the ability to negotiate, but this clause, which has erroneously been nicknamed the "sovereignty" clause but is no such thing, does not even attempt to do that. In fact, it does not even refer to the word "sovereignty".

The clause puts in statute issues that are contested by the European Union legal structures in a context that means that the Supreme Court might have to interpret them. We know that some justices of our Supreme Court question the very notion of the sovereignty of Parliament as I have described it and think it is a matter of common law rather than of history and fact. I believe they are wrong and that Parliament will always be able to prove them wrong by legislating, as statute law always overrides common law.

Mr Cash: Would my hon. Friend be interested to know that I was talking to an extremely eminent lawyer, although I hesitate to say who it was, and when he heard my arguments on clause 18, he said, "If a majority of the justices of the Supreme Court took the view that you are taking, it would be open to Parliament the next day"—he used those words—"to reverse that"? That troubles me, because if that happened it would precipitate a 100% crisis.

Mr Jenkin: I am grateful to my hon. Friend for drawing the House's attention to that conversation. We are potentially engaged in the early skirmishes of a dispute between Parliament and the judiciary about which has supremacy. By legislating on this issue, which touches on the sovereignty of the Queen in Parliament, we are tempting the justices of the Supreme Court to begin toying with those concepts. They have already done so in some of their ancillary statements to cases—I forget the right word for such statements. We know that they are tempted in that direction and putting this clause into statute, as the evidence received by the European Scrutiny Committee showed, could be the red rag to the bull, providing meat for the justices of the Supreme Court to chew on.

Mr David: Will the hon. Gentleman give way?

Mr Jenkin: I am just coming to the hon. Gentleman's point.

I was minded to accept that we had done such a thing before I heard my hon. Friend the Member for Stone speak, but he has described how the situation might have been made worse than it would have been under the previous drafting of the clause. He referred to section 20 of the Interpretation Act 1978, which, if I understand it correctly, already stipulates that when an Act is referred to in an Act of Parliament that Act is deemed not to be constantly updated by subsequent amendments. The Act referred to in an Act of Parliament stands as it stood at the time of enactment and by specifying the European Communities Act 1972 in this clause we are opening up the possibility that at some stage in the future the 1972 Act will be amended but this clause will not apply to the amended Act or to the amendments to the Act, but only to the Act as it stands now. Should there be a dispute between the Supreme Court and Parliament about the sovereignty issues that touch on our relationship with the European Union, the question would be left open with more ambiguity rather than less.

8.15 pm

Given that we started from an entirely unsatisfactory position, I must say that I will support my hon. Friend the Member for Stone in the Lobby tonight if his amendment is put to a vote. It is important to put it on the record that the situation is unsatisfactory, that it is not as we wanted it to be when we set out our manifesto and that we are possibly making the situation worse. If we accept the amendment from the other place, we might make the situation even worse, and the very fact that my right hon. Friend the Minister has adjusted his position to accommodate the wording from the other place adds to the sinking feeling that the Government do not stand on stable legal ground and that they can be pushed around by extremely able, intelligent and clever people who nevertheless have a different view from my right hon. Friend and I on the question of our future relationship with the European Union. I am left uneasy and I want to register that unease tonight.

Mr Lidington: I am grateful to the hon. Member for Caerphilly (Mr David) and my hon. Friends the Members for Stone (Mr Cash) and for Harwich and North Essex (Mr Jenkin) for their participation in the debate and I shall be brief in my response. I want to deal with the point of principle as well as the important point of detail about the interaction between this clause, the Government amendment and the Interpretation Act 1978.

Mr David: Before the Minister goes on, may I cast his mind back to the trenchant criticism from the European Scrutiny Committee about the explanatory notes that accompanied the Bill and, in particular, those on clause 18? I seem to recall the Minister giving the House a commitment that the explanatory notes would be examined and, if necessary, redrafted. Has that redrafting occurred and will there be further redrafting in the context of his amendment tonight?

Mr Lidington: The explanatory notes were changed when they were reprinted before the Bill was introduced in the House of Lords, just as I gave the House an undertaking that they would be. We amended the notes to make it clear that the references to common law in the relevant section were meant in contradistinction to statute law and that we were not commenting, as a Government and in either the Bill or the notes, on the important but much broader philosophical debate about the origins of parliamentary sovereignty.

Let me deal first with the point of general principle to which my hon. Friend the Member for Stone, in particular, referred. It has always been the Government's position that clause 18 is declaratory of the existing state of our law in making it clear that European Union law has direct effect and application in this country for one reason and one reason only: namely, Parliament has given it that effect through primary legislation. I differ from my hon. Friend in that I continue to believe that it is valuable for us to have this declaratory clause on the statute book to serve as a clear expression of Parliament's will and as an abiding point of reference for the courts if they are invited in future to consider again the sort of arguments that have previously been brought before them, most notably by the prosecution in the metric martyrs case, to the effect that European law has acquired over time an autonomous authority of its own that does not derive from Acts of Parliament.

Steve Baker: May I say how grateful I am that my right hon. Friend has given this clear statement of the Government's and Parliament's intent? We appear to have disappeared into such esoterica that even for one who takes a close interest in the clause it is almost impossible to understand the debate. Will the Minister confirm that should judges need to rule on this clause, they will be able to refer to *Hansard* to be absolutely clear what Parliament's intent was?

Mr Lidington: Judges will of course look first at statute but it is also the case, following the Pepper v. Hart judgment, that if the courts are in any way uncertain about the meaning of a piece of legislation, they can look at what the Minister of the day said on behalf of the Government, as recorded in *Hansard*, as an aid to interpretation.

Mr Cash: That may well be but as the Minister rightly says it will be the Minister's view that is taken into account by the court and the Whips will make darn certain this evening that we lose this vote. That is the problem and that is one reason why I take such exception to this.

Mr Lidington: My hon. Friend has made his point. Not only Lord Mackay but the Lords Constitution Committee recognised that clause 18 is a reflection of the existing position in United Kingdom law. I do not want to get into a long argument with my hon. Friend the Member for Stone about the report of the European Scrutiny Committee, but that report focused largely on the bigger question of whether parliamentary sovereignty was a common-law principle. I repeat to the House what I said during Committee—that this clause does not get into that issue at all. It makes clear the basis on which European law takes effect in our domestic legal order.

Let me address the detailed point that has been put. Both my hon. Friends the Members for Stone and for Harwich and North Essex argued that the reference to the 1972 Act taken together with the Interpretation Act meant there was a risk of future amendments to the 1972 Act falling outside the scope of clause 18. This point was specifically considered in the drafting of the Government's amendments to the Lords amendment. That is exactly why the Government's amendments, especially amendment (b), do not limit the clause to the 1972 Act but also take account of all Acts that might give rise to directly applicable and enforceable EU law, which will include any Acts amending the 1972 Act. I hope that with that reassurance colleagues on both sides of the House will be able to endorse the Government's amendments.

Amendment (a) made to Lords amendment 14.

Amendment (b) proposed to Lords amendment 14.—(Mr Lidington.)

Question put, That the amendment be made.

The House divided: Ayes 485, Noes 22.

Division No. 318] **[8.23 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Danny
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Amess, Mr David
Andrew, Stuart
Ashworth, Jon
Bacon, Mr Richard
Bailey, Mr Adrian
Bain, Mr William
Baker, Norman
Baker, Steve
Baldwin, Harriett
Balls, rh Ed
Banks, Gordon
Barclay, Stephen
Baron, Mr John
Barron, rh Mr Kevin
Barwell, Gavin
Bebb, Guto
Becket, rh Margaret
Begg, Dame Anne
Beith, rh Sir Alan
Bellingham, Mr Henry
Benn, rh Hilary
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen

Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burden, Richard
Burnham, rh Andy
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, Mr Alan
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chapman, Mrs Jenny
Chishti, Rehman
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cooper, Rosie
Cooper, rh Yvette
Crabb, Stephen
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Crockart, Mike
Crouch, Tracey
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Davey, Mr Edward
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
De Piero, Gloria
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Doyle-Price, Jackie
Duddridge, James
Dugher, Michael
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Elman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Engel, Natascha
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farrelly, Paul
Featherstone, Lynne
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Foster, rh Mr Don
Fovargue, Yvonne
Fox, rh Dr Liam
Francis, Dr Hywel
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Gapes, Mike
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Hain, rh Mr Peter
Hames, Duncan
Hamilton, Mr David
Hamilton, Fabian
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Hanson, rh Mr David
Harman, rh Ms Harriet
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Havard, Mr Dai
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hoban, Mr Mark
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Holloway, Mr Adam
Hood, Mr Jim
Hopkins, Kris
Howarth, rh Mr George
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunt, Tristram
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Irranca-Davies, Huw
Jackson, Mr Stewart
James, Margot
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Kendall, Liz
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lavery, Ian
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Leslie, Chris
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCann, Mr Michael
McCarthy, Kerry
McCartney, Karl
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McIntosh, Miss Anne
McKechin, Ann
McKinnell, Catherine
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morden, Jessica
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munn, Meg
Munt, Tessa
Murphy, rh Paul
Murray, Ian
Murray, Sheryll

Murrison, Dr Andrew
Nandy, Lisa
Nash, Pamela
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
O'Donnell, Fiona
Offord, Mr Matthew
Ollerenshaw, Eric
Onwurah, Chi
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pearce, Teresa
Penning, Mike
Penrose, John
Perkins, Toby
Phillips, Stephen
Phillipson, Bridget
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pound, Stephen
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Raynsford, rh Mr Nick
Reed, Mr Jamie
Rees-Mogg, Jacob
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robathan, rh Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sarwar, Anas
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Sheerman, Mr Barry
Shelbrooke, Alec
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spellar, rh Mr John
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Streeter, Mr Gary
Stride, Mel
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tami, Mark
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Karl
Twigg, Derek
Twigg, Stephen
Tyrie, Mr Andrew
Umunna, Mr Chuka
Uppal, Paul
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Watson, Mr Tom
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Mr Philip Dunne

NOES

Bone, Mr Peter
Campbell, Mr Ronnie
Chope, Mr Christopher
Clappison, Mr James
Cryer, John
Davies, Philip
Davis, rh Mr David
Donaldson, rh Mr Jeffrey M.
Field, rh Mr Frank
Hoey, Kate
Hollobone, Mr Philip
Jenkin, Mr Bernard
Main, Mrs Anne
McDonnell, John
Nuttall, Mr David
Percy, Andrew
Reckless, Mark
Skinner, Mr Dennis
Stringer, Graham
Turner, Mr Andrew
Walker, Mr Charles
Whittingdale, Mr John

Tellers for the Noes:
Mr William Cash and Kelvin Hopkins

Question accordingly agreed to.
Amendment (b) made to Lords amendment 14.
Lords amendment 14, as amended, agreed to.

Clause 21

COMMENCEMENT

Motion made, and Question put, That this House disagrees with Lords amendment 15.—*(Mr Lidington.)*

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 301, Noes 212.

Division No. 319] **[8.41 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey

Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kelvin
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and Bill Wiggin

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard

Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Shannon, Jim
Sheerman, Mr Barry
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Angela Smith and Phil Wilson

Question accordingly agreed to.

Lords amendment 15 disagreed to.

Ordered, That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments 3, 5 to 13 and 15;

That Mr David Lidington, James Duddridge, Mr Wayne David, Mr David Hamilton and Mr David Heath be members of the Committee;

That Mr David Lidington be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—*(James Duddridge.)*

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Rights and Protection of Victims

8.58 pm

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): I beg to move,

That this House takes note of European Union Documents No. 10610/11 and Addenda 1 and 2 relating to the Draft Directive establishing minimum standards on the rights, support and protection of victims of crime, No. 10613/11 and Addenda 1 and 2 relating to the Draft Regulation on mutual recognition of protection measures in civil matters, No. 10612/11 and Addenda 1 and 2 relating to a Commission Communication–strengthening victims' rights in the EU and the unnumbered Explanatory Memorandum dated 16 May 2011 relating to a Council Resolution on a Roadmap for strengthening the rights and protection of victims, in particular in criminal proceedings; and welcomes the opportunity to consider views on whether the UK should opt in to the draft Directive establishing minimum standards on the rights, support and protection of victims and the Draft Regulation on mutual recognition of protection measures in civil matters.

I thank the European Scrutiny Committee for calling the debate. The Government are currently actively considering in detail the European Commission's proposals on victims, and in particular whether the United Kingdom should opt into the proposed directive on victims and regulation on protection orders. There has already been some scrutiny of the protection order regulation, but it is useful to have this opportunity to hear Members' views on the proposals on the Floor of the House, to inform our decisions.

The Government are obviously committed to supporting the victims of crime. One of the main objects of the criminal justice system, as well as punishing those guilty of serious criminal offences, is offering protection and support to the victims of crime. We welcome the priority that the European Commission is giving the matter and the further impetus provided by the Hungarian Government, who will hold the presidency of the European Union for the second half of this year. There was a Budapest declaration setting out their intention, supported by the Council of the European Union, to deal with various matters concerning the victims of crime in the course of their presidency.

I am glad to say that this country is seen by the Commission as an example of best practice on supporting victims. The Government hope to strengthen what we do, but there is no doubt that we are well ahead of the vast majority of members of the European Union in what we do now.

The thing that the House should particularly have regard to is that our own citizens are increasingly travelling and working across the EU. If a British citizen is unfortunate enough to fall victim to crime in another member state, I do not think that they always get the level of support that they would expect in similar circumstances in the United Kingdom. The Government see one of the main attractions of this package of work as, among other things, helping our citizens to get the full support that they ought to have in a modern and civilised state when they are victims of crime. We want to ensure that British citizens are provided with the information, support and protection that they rightly expect to receive when they fall victim to crime in any EU member state.

My officials have been working with the Commission to share our experiences of supporting victims, and to consider how the existing EU framework agreement on the subject might be improved. The Commission, I am glad to say, has taken on board many of our suggestions in its recent proposals. I am especially pleased that the proposed directive takes into account the particular role of victims in our common law system. We encounter drafting problems at least in quite a lot of proposals in this field, because, like the Irish, Cypriots and Maltese, we tend to have a common law system, whereas the rest of Europe does not. It is necessary to ensure that the procedural differences and the practices of different countries are respected in such proposals.

The Government are committed to targeting resources towards those victims who need them the most. We continue to develop our own proposals on victims—we hope to come forward with some in the autumn—but meanwhile, we will continue to work with our European partners to ensure that any EU action on victims supports our approach. We are particularly trying to ensure that any requirements imposed upon or accepted by member states are proportionate to the needs of victims and properly targeted on those with the most important needs.

I wait to hear whether there are any objections in principle to the objectives being pursued by the Commission and the Hungarian presidency, and the vast majority of the member states on the European Council—as far as I am aware, that means all member states on the Council—but I think they are unlikely. It is plainly desirable that we consider spreading best practice across the Union when it comes to protecting victims of any nationality who have the misfortune to fall prey to crime in any of our countries. However, I look forward to hearing the views of right hon. and hon. Members on any particular aspects of the package of proposals before us to which they want to draw the House's and the Government's attention.

9.3 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I welcome the opportunity for the House to debate this important draft European Union directive. I am sure that Members on both sides of the House will have constituents who have been affected by crimes elsewhere in the EU, and I want to take this opportunity to share with the House the case of my constituents, Lesley and Steve Dunne, which highlights the very serious shortcomings in current practice and legislation.

I echo the Secretary of State's opening remarks. As he said, we want proper support that reflects our modern and civilised state. He also said that we should require a directive to be both proportionate and properly targeted, and I very much agree with him on that. Mr and Mrs Dunne were badly let down by the legal system in Spain. They had lived there and their son Gary was murdered there in 2006. It took the family three years to have their son's body repatriated to the United Kingdom. Throughout their campaign to have his body returned, Mr and Mrs Dunne, whom I now count as good friends, showed great courage, fortitude and incredible dignity in the face of the many barriers and hurdles to securing what most families would take for granted—being able to bury their son.

The draft directive before the House will go some way to addressing some of the problems that they faced and that other families have faced as well. It seeks to ensure that member states recognise that, where a person's death has been caused by a criminal offence, the family

members are to be defined as victims. Mr and Mrs Dunne were not treated with the respect that the House would expect for the parents of a murdered son. The Secretary of State was right that in many regards this country is at the forefront of best practice in the treatment of victims. We have a long way to go, but compared with the experience in Spain that I am outlining, we are well advanced. The draft directive sets a minimum standard for access to information and support. If this is adopted successfully across the EU, I sincerely hope that other families affected by the death of a loved one in Europe will not have to endure what Mr and Mrs Dunne have.

Steve and Lee Dunne learned of their son's murder not from the Spanish or British authorities, but from a friend in Spain who had heard of the murderer's arrest not from the Spanish authorities, but from another friend who had read about it in the local press. When Steve and Lee received a call from the authorities informing them that the perpetrator had been arrested, they flew immediately to Spain in the belief that it meant that Gary's body could be repatriated for a funeral in their home city of Liverpool. This was not the case, however. They flew to Spain, where they discovered that they had been called there simply for the courts to ask them whether they wanted the suspect prosecuted. The suspect had fled Spain to evade capture.

Mr and Mrs Dunne were appalled. They had not been properly advised of the reason they had been called to Spain. As far as they were concerned, of course they wanted their son's alleged murderer to face justice in a Spanish court. I hope that the provisions on information and support in the draft directive will ensure that in the future clear information will be given to families in similar situations. This lack of access to information was compounded by the absence of officially provided translators or interpreters during the prosecution. I am pleased therefore that this specific issue is covered in the draft directive. Lee and Steve ended up having to hire translators and interpreters at their own expense, which has contributed to them incurring costs of about £40,000 to run their ultimately successful campaign to secure Gary's repatriation. I will return to that point in a moment.

This lack of financial support was exacerbated by the lack of victim support. Legal aid was neither offered nor available. No counselling or bereavement support was available to help the family through what inevitably was a difficult and traumatic time.

That the draft directive seeks to treat the families of murder victims as victims themselves is a welcome recognition of the very real personal dangers that families can be exposed to when they pursue prosecution in other countries. Mr and Mrs Dunne certainly felt that their safety was at risk on a number of occasions during the judicial process in Spain. For example, unpleasant threats were made by acquaintances of the accused during the proceedings, and they felt that there was a lack of support and information about what was going on throughout the trial.

Steve and Lee have not received financial support from the Spanish authorities towards meeting the costs that they incurred in their attempts to repatriate their late son's body. Members of the public in this country, particularly in Liverpool, have given generously in donations, which have offered some assistance to the family, but as I said earlier, they incurred significant costs of more than £40,000 simply trying to secure the burial of their son. They eventually learned that they had been granted compensation by the Spanish court of £125,000, to be paid by the perpetrator, but they did not find out about it until two years after the ruling had been made to award the compensation. So far, they have received less than £1,500 of the £125,000 that they were granted, and the payments have now stopped.

This highlights two problems that are addressed by the draft directive. The first is the very limited progress that has been made in getting the compensation to the family; I shall return to that matter later. The second is the fact that the information channels were so poor that they did not find out about the granting of the compensation until two years after the decision, in a period in which the family was struggling financially owing to having had to raise the money to fight their case to have their son's body returned.

Mr and Mrs Dunne came to London to visit Parliament earlier today, in advance of tonight's debate. They asked me to describe their ordeal in this way to demonstrate the appalling shortcomings in the system. They are tireless campaigners whose drive, courage and determination to prevent any other family from going through what they went through are an inspiration to us all. As well as campaigning on the issues that we are discussing this evening, they have visited schools across Merseyside to educate young people about the dangers of knife crime.

Gary Dunne's body was ultimately returned for a family funeral in Liverpool in 2009. On behalf of the family, I place on record their appreciation of the hard work of the Member of the European Parliament for North West England, Arlene McCarthy, and of my right hon. Friend the Member for Leigh (Andy Burnham), both of whom raised Gary's case consistently throughout the family's ordeal. They raised the case with the then Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), who responded to the campaign by raising Mr and Mrs Dunne's situation directly with the Spanish Prime Minister, Señor Zapatero, who intervened personally. That intervention resulted in the repatriation of Gary's body. That was clearly a welcome development for the Dunne family, but it cannot be right that they had to go through three years of heartache before they could bury their son, or that they secured his repatriation only after a vigorous campaign that culminated in the British Prime Minister raising the case with his Spanish counterpart.

Last October, I raised the case with the present Prime Minister, and I was delighted that he agreed to meet Mr and Mrs Dunne. That meeting took place in January this year, when they had the opportunity to raise with him the changes that they wished to see that would ensure that no other family would have to go through what they had been through. They told the Prime Minister about their long-fought struggle and about both the shortcomings that I have described in the Spanish system and the shortcomings in the British consular services, in terms of the support offered to them and other families affected by the loss of a loved one overseas, and in particular in the European Union, which is what we are addressing this evening. It was a positive meeting, and the Prime Minister agreed to address those shortcomings, suggesting that there may be opportunities for a pilot scheme for improved consular services. Mr and Mrs Dunne agreed that their case

[Stephen Twigg]

could be used as a test case—an example case—to set up training programmes to ensure that British consular services give sufficient support to British families on the ground, particularly given that those families are themselves victims, as the directive describes them.

As the Secretary of State said, the proposed directive seeks to address the shortcomings in the current 2001 Council framework decision on the standing of victims in criminal proceedings. I know that Members from across the House will be moved by the case of my constituents, Mr and Mrs Dunne, whose treatment throughout the past five years has been truly appalling. An opt-in to the directive would go some way towards ensuring that others do not go through similar experiences in future. Not all the issues that have affected Mr and Mrs Dunne are covered by the draft directive. Some of them relate to United Kingdom policy in practice—I have referred to consular support. Frankly, some of them are challenges for Spain—for Spanish law and Spanish practice on the repatriation of bodies, compensation and access to justice. I will be seeking a meeting with the Spanish ambassador in London to press for Mr and Mrs Dunne's compensation to be paid in full and immediately.

I welcome the opportunity to share the appalling experience of my constituents Mr and Mrs Dunne with the House this evening and to pay tribute to them for their campaign, their fortitude and how they have turned their grief into something positive, so that other families do not have to go through what they went through. I thank the Government for giving me this opportunity to address this important subject.

9.17 pm

Mike Weatherley (Hove) (Con): I pay tribute to the hon. Member for Liverpool, West Derby (Stephen Twigg) for giving a very moving speech.

I address the Chamber as chairman of the all-party group on retail and business crime, and, by virtue of that, as someone concerned about victims of crime, both at home and abroad. Although there are some parts of our criminal justice system that can clearly be improved on, I understand from the organisation Victim Support—we heard this point earlier, too—that we generally enjoy a better standard of treatment for victims of crime than is the case across Europe. It does not take a huge stretch of the imagination to realise that victims of crime are at their most vulnerable when they are abroad. Perhaps they do not speak the language, and they would probably have little idea of where to go, what to do, or even what processes are in place to assist them in the event of crime. Moreover, many unscrupulous criminals specifically target foreign nationals—tourists in particular—for those very reasons.

In this instance, I feel that EU support would benefit the British abroad, so I call on the Government to support the draft directive in question, which deals with a minimum standard of treatment for victims of crime across Europe. Indeed, it has been carefully argued by the charity Victim Support that the directive would benefit the British at home also. I would not usually back EU interference—the EU meddles in so much that it should not meddle in, plus it is a ridiculous, wasteful organisation and unnecessarily bureaucratic—but in this instance it has actually come up with something that should be addressed for the common European good. With regard to offenders' release dates, the directive would certainly increase the rights of victims in the UK. At present, a victim has the right to know only when an offender has been released from custody in the case of sexual or violent crime where an offender has been sentenced to more than 12 months in custody. The directive would extend that right to all victims.

Steve Baker (Wycombe) (Con): I am listening with great interest to my hon. Friend. I very much applaud and welcome his and the Government's intent, but does he realise that we could achieve the same end without opting in to this EU directive? We could negotiate a separate arrangement with opt-outs, which would not be available under an EU directive.

Mike Weatherley: I thank my hon. Friend for his intervention, but I am afraid that he is sadly mistaken, for various reasons that I shall come to. I agree that the EU quite often meddles unnecessarily, but occasionally some standardisation across Europe is welcome, and this is one of those situations.

I mentioned that our system of victim support is better than those of other countries around Europe, but this position is by no means assured. After all, it has been eroded in several key areas. One is the example of funding for Victim Support—a charity that provides an invaluable service to victims of crime. Its funding has been cut, which is a great shame. Also, over a number of years, we have seen certain crimes such as shoplifting downgraded. Indeed, the Sentencing Commission does not formally recognise the vulnerability of shop workers as particular victims of crime, despite last year being a record period for crimes committed in shops, ranging from shoplifting to murders in the process of robbery. The Government could also do more to support the private sector in schemes such as Facewatch, piloted in London by the Metropolitan police and now spreading across the UK.

Victims of crime currently have the right to receive a basic level of service for each criminal justice agency under the code of practice for victims of crime. Everything that victims are entitled to under the code is pretty basic and the sort of thing that one would assume victims would receive automatically. The Government, however, have already removed the duty on local criminal justice boards to report their compliance with the victims code, which means no one is monitoring compliance with the code or holding agencies to account when they fail to comply with it. There is a danger that the Government will seek to downgrade the code or abolish it altogether. That would mean that a victim of crime would have no statutory right to a decent level of service from the criminal justice system. Abolishing or downgrading the code would be a serious retrograde step that would turn the clock back on victims' rights.

Mr Kenneth Clarke: I would like to give my hon. Friend an assurance on that in case I forget to reply to his point later. We realise that the code needs modernising, but we do not have the faintest intention of repealing or abolishing it. I can give my hon. Friend that assurance straight away—before some rumour is accidentally set flying.

Mike Weatherley: I am most grateful to the Secretary of State for that intervention. The point I was trying to make was about the code's inability to be made legally enforceable when no particular agency is held to account for compliance at the moment. I would like to see it strengthened.

On behalf of all future victims of crime, I urge the Government to support the EU directive on a minimum standard of treatment for victims of crime across Europe.

9.22 pm

Mr William Cash (Stone) (Con): The Secretary of State and Lord Chancellor made his point clear at the beginning. He might have been slightly concerned that there would be some kind of Division, but as far as I am concerned, there will be nothing of the kind. To me, this debate is about recognising the fact that this is an important issue. Furthermore, I view it as the job of the European Scrutiny Committee to recommend for debate matters of legal or political importance. Nobody is in any doubt that this is a matter of very considerable importance.

The communication from the European Commission, "Strengthening victims' rights in the EU", starts with the question: "Why do victims matter?" Let me give a brief indication of what the European Commission states in this particular context. The communication talks about the many millions of people who fall victim to crime. It notes that about

"30 million crimes against persons or property are recorded annually"

in the EU. It continues:

"Crime often affects more than one victim...This leads to a qualified estimate that there is likely to be up to 75 million direct victims of crime every year."

So in quantitative terms, we are talking about something in the order of 75 million people affected.

Road accidents are also discussed, with a million across the EU mentioned, along with the loss of 30,700 lives in 2010. People are constantly travelling and moving across borders and it notes that about 11.3 million Europeans are residing

"permanently outside their own home country".

It mentions that

"10% of Europeans have lived and worked abroad during a period of their lives and 13% have gone abroad for education or training."

The European Commission states:

"These numbers show the importance of ensuring proper, effective action on the rights of those who fall victim to crime or to road accidents, in their own country or while travelling or living abroad."

It claims that that is

"both a cross-border and a domestic problem that calls for EU action."

It also mentions the impact on women in the European Union.

The Commission describes compensation as one of the basic needs of victims. In a section headed "A specific focus on victims of crime—what do they need?", it states:

"Many people fall victim to crime in the EU every year",

and refers to

"the need to be recognised and treated with respect and dignity"—

we say amen to that—

"to be protected and supported; to have access to justice; and to get compensation and restoration."

On the subject of that compensation and restoration, it states:

"Persons who have suffered harm because of the acts of others often expect to get some form of financial compensation, whether from the State or the offender. Compensation aims at repairing immediate and longer-term financial damage. It may also act as a form of acknowledgement through a symbolic payment."

It continues:

"Restorative justice, which is a relatively new concept in criminal proceedings, goes beyond purely financial compensation to focus on the recovery of the victim."

As Chairman of the European Scrutiny Committee, I want to explain a little of the background to the four documents that are before us. I am grateful to the hon. Member for Liverpool, West Derby (Stephen Twigg) and to my hon. Friend the Member for Hove (Mike Weatherley) for their contributions, to which I listened carefully. I was very moved by what the hon. Gentleman said about the difficulties experienced by the Dunne family.

The documents comprise part of a package that is a recent initiative to bolster the rights afforded and support given to victims in criminal and civil legal proceedings throughout the European Union. Let me add to what the Minister has said by giving the House the European Scrutiny Committee's summary of each of the documents.

The road map is a statement by member states of how far they intend to implement the Commission's victims' package, which is quite far. The draft directive, which is binding on member states when implemented, lays down comprehensive and far-reaching rules governing the rights of victims of crime. As I have said, the Commission's communication indicates that further legislation on victims' compensation, and on the law to be applied in cross-border traffic accidents, is in the pipeline. The draft regulation, which is automatically binding on member states once adopted in Brussels, provides for the automatic recognition in all member states of a civil protection order, such as a non-molestation order, granted by a civil court in one member state. A parallel proposal for protection orders granted by criminal courts is also being negotiated, but is not subject to this debate. As I think the Lord Chancellor will confirm, the Government have opted in to that provision.

As we have heard, the draft directive and regulation are subject to the opt-in protocol referred to by my hon. Friend the Member for Wycombe (Steve Baker), under which the UK is presumed not to want to be legally bound by them unless it notifies the Commission of the contrary within three months of the publication of the proposals. In the opinion of my Committee, the Government should take into account several factors when making their decision.

First, the Government should consider whether the UK can influence negotiations more successfully once it has opted in, and should weigh that possibility against the chance that it could end up being bound by damaging legislation. Secondly—I think this equally important—they should consider the financial impact of the proposal. However much we may agree that there is a case for compensation in general terms, I am sure that the sheer range, extent and potential cost concern the Government

[Mr William Cash]

particularly, given our current position. Lastly, I repeat that once these obligations are imposed on us, they will necessarily give rise to grave financial implications, and that will be the case across the range of the victims I have identified—as many as 75 million, a figure I put on the record earlier.

There is also the question of whether the proposal will require legislative change in the United Kingdom. The Government's explanatory memorandum demonstrates that they are broadly in favour of the two legislative proposals but that they need to look at their resource and administrative implications. By contrast, the Government question the need for further legislation on compensating victims. The Secretary of State will, I hope, give us some indication in respect of that before the end of the debate. That is the Government's position, but I have already indicated the scale, range and extent of what needs to be done.

The European Scrutiny Committee recommended holding this debate for the following reasons: the victims' package marks a significant changing up of gear in the EU's policy on victims; the resource and administrative implications for the UK will be substantial, especially with regard to the regulation, as can be seen from pages 27 to 31 of the relevant report; and, as my hon. Friend the Member for Hove said, the rights of victims in the UK are currently a matter of concern and, at times, controversy.

Finally, if this needs saying at all, we ask the Government to consider long and hard the views expressed in this debate before deciding whether to opt in.

9.31 pm

Tom Brake (Carshalton and Wallington) (LD): It gives me great pleasure to be able to make a brief contribution about the road map draft directive and draft regulation. The road map includes a package of proposed legislative measures designed to ensure that all 27 member states, especially some of the poorer performing new and southern states, meet minimum standards in providing for the rights of victims of crime. Many states are seeking to put into law existing Council of Europe conventions in this area, which are by and large designed to ensure that any EU citizen who is a victim of crime anywhere in the EU is guaranteed to have their rights met.

I shall follow the example of the hon. Member for Liverpool, West Derby (Stephen Twigg) by referring briefly to a constituency case, as it serves to illustrate why these changes are needed. The case, which I have raised in the House on a number of occasions, relates to Robbie Hughes, who was seriously attacked when on holiday in Malia in Crete, allegedly by British tourists—it is still going through the courts, so I cannot say much more than that. He suffered severe head injuries as a result of the attack. Since then, his mother has been campaigning to ensure that the support available for victims of crime abroad is enhanced. She has done a lot of work, such as by helping the Foreign and Commonwealth Office improve its website and put extra information on it. She has also done a lot of work with travel agents to put pressure on the travel reps to stop encouraging British tourists to go out and get blind drunk by telling them where the cheapest venues are for getting the most potent alcohol, with the inevitable consequences in places such as Malia in Crete where, I am afraid, British tourists have a very poor reputation.

Robbie and his mother faced a whole host of issues and problems, with which I am sure the Dunnes, to whom the hon. Gentleman referred, will be very familiar. There is a problem in accessing health care, and people also need to be encouraged to take out insurance. They may think, "I'm safe because I'm going to an EU country," but the descriptions of health care in Greece suggest that it leaves something to be desired. There are also language issues, and although legal aid is available in Greece, that is not immediately apparent to a British citizen who is sent a form written in Greek. There are translation issues therefore, and there are clearly significant communication issues. Some of them are simple, such as whether the person abroad is able to use their mobile phone and whether, if they clock up a large bill, they will be cut off before having been able to help their loved one abroad.

We also need to address issues relating to the police and the application of different standards. For example, in some countries the police are not willing to register crimes and fail simply to get out of the starting blocks in getting a crime addressed. There are also problems relating to money and to extradition, where a case subsequently does come to court. That is a good example of an area where the European Union has put in place measures to address the situation.

Many of the issues that these two families experienced would benefit greatly from this standardisation of a minimum level of support for victims of crime. During a debate on victim support on 8 June, I expressed reservations about what we are debating tonight, but I did so on the basis of not having a clear appreciation of the extent to which the UK Government had been involved in drawing up the proposal. I also had concerns that the UK's strong position on supporting victims would be diluted by this approach, but we are clearly setting a minimum standard that other countries can and should go beyond. I also had concerns about whether this approach would place an undue burden on the UK, but it is clear, again, that the UK's high standards on victim support mean that although the UK Government might have to take some additional steps, they are relatively small in the scheme of things. On that basis, I think that this is a very positive contribution and I hope that the Ministry of Justice will be minded to push it forward swiftly.

9.36 pm

Ben Gummer (Ipswich) (Con): I have a similar tale to tell to the one told by the hon. Member for Liverpool, West Derby (Stephen Twigg). I do not wish to go into the precise details, but the case came to me within days of my becoming Member of Parliament for Ipswich and relates to a terrible situation involving a constituent who was murdered by another constituent in Spain. The family were faced with the most appalling series of choices and negotiations to be made with the Spanish authorities. Unfortunately, the family had to deal with Andalusian law as it applied in the Canary islands, which even in Spanish terms is seen as rather arcane.

The process of bringing the body back to the United Kingdom was frustrated by the offender, who had come back to this country. The reason it happened rather

more quickly than in the case of the hon. Gentleman's constituent was the European arrest warrant, which made a considerable difference to the speed with which the case could be dealt. That is one good example of the arrest warrant significantly improving things for victims in this country. In a similar manner to the hon. Gentleman's case, although not to the same extent, it took the pulling of strings in Spain by the Foreign and Commonwealth Office, by me and by people who really should not have been involved to bring about more speedily the returning of my constituent's body to the family in Ipswich. That is why the directive will bring about a real improvement for constituents who are faced with such terrible problems.

The problem will get bigger and bigger as more and more people seek to work in the European Union and go on holiday there. As such, as we have heard from the hon. Member for Carshalton and Wallington (Tom Brake), acts of violence and drunkenness and situations where constituents might be put before the law will increase. We all know from our casework—even I know from my short time as a Member of Parliament—how constituents in such situations can be distinctly disadvantaged. That can happen with very minor offences and with the most serious and grave.

It is therefore nice that we can come together in this House for the first time in a long time to agree on a new piece of European legislation that every Member believes will be bring an improvement for our constituents. It represents a sharing and pooling of sovereignty which will improve the lives of those whom we seek to represent. I agree with and approve of what the Government are trying to do in this instance. I hope that they will be able to bring the directive to fulfilment as quickly as possible and that its implementation will ensure that those European neighbours who are not so assiduous in their treatment of victims of crime are made to protect and enhance the rights of our constituents as rapidly as possible.

9.40 pm

Robert Flello (Stoke-on-Trent South) (Lab): Over recent weeks, the treatment of victims and their families has come to the fore in the UK. We have seen the family of Milly Dowler speak about the appalling treatment they received at the hands of defence lawyers acting for Levi Bellfield; we have read the report from the victims commissioner, Louise Casey, about the needs of families bereaved by homicide; and most recently we have been sickened by the revelations that the mobile phones of victims and others have been hacked into by elements of the media for whom the story comes before any sense of morality.

Under the previous Labour Government, great strides forward were made in championing the rights and needs of victims and their families, although we would be the first to admit that there was and is more that could be done. Under Labour, we saw the introduction of the national victims service—an £8 million support scheme for relatives of manslaughter and murder victims that offered victims a dedicated support worker—in response, of course, to the report published by Labour's first ever victims champion, Sara Payne. As a result, the CPS now has a victim focus scheme committing it to a post-charge and post-conviction meeting for murder, manslaughter and road death cases in the Crown court. There is also a new protocol for Her Majesty's Courts and Tribunals Service for bereaved families and a statutory victims code of practice that commits the police, the Crown Prosecution Service, the courts, the Criminal Injuries Compensation Authority, the probation service and others to providing information within certain time scales. The CPS has a prosecutors' pledge, setting out how Crown prosecutors should conduct the case, and the probation service provides a victim liaison scheme for certain victims of crime or their next of kin as regards some elements of the offender's movements within the prison estate and release information.

Labour introduced the victim personal statement scheme and the policing pledge, and in April 2010 we launched a £2 million homicide service, with the police allocating a family liaison officer to each family following a homicide or a culpable road death. In January 2010, Labour also introduced the compensation scheme for British victims of terrorism abroad as part of the Crime and Security Act 2010 and declared that it would be retrospective to 2002. I hope that the Lord Chancellor will take on board the fact that it is still to be implemented. All those measures came on top of a cut of 43% in crime, which reduced the likelihood of being a victim of crime.

Although the Government have made the right noises about victims being at the heart of their approach, it is fair to say that they have stumbled a few times: over how legal aid cuts have been targeted, over the changes to remand proposed in the latest justice legislation and over the dropped manifesto commitment on knife crime, for example. Let me be clear that although we will hold the Government to account when we feel they have taken a wrong turn, we will support them when they do the right thing by victims, as they have with the welcome announcement of an additional £500,000 for practical changes following Louise Casey's report.

For now, we are debating a draft directive from the European Union that gives the Government the opportunity to pick themselves up and show that they can be on the side of the victim. We are considering four things this evening: the draft directive that establishes minimum standards for the rights, support and protection of victims of crime; a draft regulation on mutual recognition of protection measures in civil matters; a Commission communication on strengthening victims' rights in the EU; and the explanatory memorandum dated 16 May 2011 to a Council resolution on a road map for strengthening the rights and protection of victims, particularly in criminal proceedings.

I am grateful to the Secretary of State for setting out the Government's position on those four documents. Let me add to the debate by setting out our view of these important documents and the improvements they could make for all member states. Although the UK leads the way, as the Lord Chancellor said, I think he would also readily accept that more is required of the UK in its treatment of victims of crime.

Let us consider the scale of the issues that challenge us. From Louise Casey's report on the needs of families bereaved by homicide, we know that the vast majority of victims' families—more than 80%—have suffered trauma-related symptoms, that three-quarters have suffered depression and that one in every five have become addicted to alcohol. Every person in the survey said that their health had been affected in some way. Some 59% found it difficult to manage their finances following the bereavement and one in four stopped working permanently. The average cost of the homicide to each

[Robert Flello]

family was £37,000, with costs ranging from those for probate to those for funerals, travel to and from court and even for cleaning up the crime scene. The majority of those people got no help with those costs and some were forced into debt. The victims commissioner's review shows that such effects persist for many years.

The scale of the issue comes more into focus when we consider that, as the Chairman of the European Scrutiny Committee said, 30 million crimes against persons or property are recorded each year across the European Union, resulting in about 75 million direct victims of crime every year across the Union. The number of homicides will, thankfully, be only a small proportion of that number, but the impact of any crime on victims will have many of the characteristics I have mentioned, with the most horrendous crimes bringing the hardest burdens of all.

Kelvin Hopkins (Luton North) (Lab): I thank my hon. Friend for giving way as I have not been here for the whole debate. One thing that concerns me and that exacerbates all the problems is the free movement of people within the European Union. If we had borders that were enforced, criminals would not be able to travel so freely through the European Union and individuals going on holiday would be more conscious of the fact that they were going to different jurisdictions with different standards and levels of health protection and be more wary and concerned. Above all, traffickers in human beings, particularly in children, would have a more difficult time if we had internal borders.

Robert Flello: I am grateful to my hon. Friend for his intervention. He makes his points very well and I will return to some of those issues shortly.

British citizens should receive the highest standards in any member state when they are the victim of a crime. In the draft directive, the European Union has sought to build on the 2001 Council framework decision, which established general minimum standards. The rationale behind it is that the 2001 framework was not implemented across member states in a satisfactory way, with some member states doing more than others—I think the UK can hold its head high in that regard—leaving a patchwork of uneven standards of protection and support for victims. One of the Commission's conclusions that speaks volumes in the light of the Dowler family's experience is that

"Member States generally do not ensure that victims are treated in a manner equivalent to that of a party to proceedings."

The Commission found that there was "ambiguous drafting", a "lack of concrete obligations" and a "lack of infringement possibilities".

In the Lord Chancellor's comments on each of the articles in the draft directive, there are some positives which are very welcome, but there are some less welcome and possibly worrying observations too. The Government straight away use the phrase

"proportionate to the needs of victims",

but we have seen from the victims commissioner's recent report that the needs of victims are not being met, so who will judge what is proportionate to the needs of victims? Will it be the Lord Chancellor, his Department or the victims commissioner? Who will decide?

It is vital that the directive should help to provide greater uniformity across the EU to improve the service that UK citizens can expect. More must be done to ensure that victims' families do not have to suffer unnecessary delays and further trauma following the loss of a family member abroad. At this point I pay tribute to my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) for raising the terrible and tragic issue of Gary Dunne and the work being done by Lesley and Steve Dunne to whom our sympathies must go out. It is also important to raise the cases that were mentioned by the hon. Member for Ipswich (Ben Gummer) and by the hon. Member for Carshalton and Wallington (Tom Brake), whom I congratulate on his imminent esteemed elevation to the Privy Council. I suspect that we all have examples of such tragedies in our constituencies. For example, a constituent of mine died in Tenerife last year. Again, because of the Spanish coronial system, the victim's family had to wait months before the body was repatriated to the UK.

I turn to some of the articles. Article 2 is welcome. It sets out the wider impact of a crime beyond the person who has been killed or suffered some immediate injustice. It should not be the subject of detailed clarification. Some clarification is required, but the Government's comments about the need for clarification are a little troubling.

The first part of article 4 deals with the provision of information to victims. Although the Lord Chancellor says he is confident that this article is generally compatible with current practice across the UK, I wonder just how confident he is about the uniformity and quality of current practice across the UK in the light of the victims commissioner's report. The second part of article 4 covers the sensitive issue of informing victims of the release of an offender. I agree that we should be mindful of the risks to the offender. We do not want to see lynch mobs at the prison gates, but we also do not want to see victims unexpectedly coming face to face with the offender in a supermarket because no one has forewarned them, as has happened time and again.

I am not sure that in their response to article 9 the Government fully understand how variable is the use of the victim personal statement. I suggest that the Lord Chancellor takes a moment or two to read the strategic audit of the criminal justice system, a report prepared by Victim Support. It makes sombre reading about the use of the victim personal statement. It notes that the police are responsible for offering victims the opportunity to make a statement, but that they are not required to do so by law, and VPSs are not even mentioned in the Government's primary document setting out the services that the victim can expect.

The report from Victim Support continues:

"The actual situation on the ground is poor—of those whose cases reach court, less than half recall being offered the opportunity to make a VPS. Moreover, of those who did make a VPS, only two-thirds felt it was taken into account. Furthermore, the likelihood of being given the chance to make a VPS varies considerably across England and Wales. For example, victims living in London were less than half as likely to be offered it as those living in Northumbria. The likelihood of the victim feeling that the VPS is taken into account also varies considerably across regions."

Article 13 deals with the reimbursement of victims' expenses. Once again, it is concerning that the Government appear to be back-peddling on the concrete commitments that the directive is supposed to require. Once more, we

must remind ourselves that the victims commissioner's findings are damning of the cost barriers for victims' families who want to see justice done. I am hopeful that the Government, despite their heavily caveated words in response to article 19, will take on board the needs of victims to avoid contact with offenders and their families, and thereby avoid the all too frequent situation where a victim's family sit alongside that of the defendant, listening to them laughing, joking and making hurtful comments.

The Government's comments on article 20 worry me greatly. Although I have some sympathy with the view that not all victims need necessarily be interviewed, provided that other methods for hearing the voice of victims are strengthened, it feels as though the Lord Chancellor is going behind the term "proportionate" again.

I would like to spend a moment on article 23 and the relationship between the media and the privacy of victims. In much the same way as a few bad apples spoiled the reputation of the House, so the behaviour of irresponsible and, it seems, criminal elements of the media have severely damaged that profession. With reference to Bellfield's trial, Chief Constable Mark Rowley has called for greater protection of victims and witnesses during court cases. Rowley said it was a

"most bizarre and distressing coincidence"

that the Dowler family had their privacy destroyed at a time when footballers and celebrities were being granted super-injunctions to protect details of their personal lives.

It is all well and good for the Lord Chancellor to ask that article 23 respect the principle of media independence, but at what cost? The case of Milly Dowler shows the need for greater training of professions, notably the judiciary, in how victims' families are treated. The draft directive is a good starting point, but there are things that are not in it—notably, despite the European Commission's identifying why the 2001 framework failed, where are the teeth in these proposals? Where is the mechanism for effective redress when member states do not provide the services or support that the draft directive requires? Where are the rights to request a review of the decision on what charge the offender will face? The draft directive is an opportunity for the Government to negotiate a better deal for victims at EU level; it should not be used to make what we already do look like it fits with the directive as it is written.

Turning to the draft regulation on mutual recognition of protection measures in civil matters, it can only be a positive thing that civil law protection measures issued in one member state should be recognised and applied in another, so the draft regulation is to be welcomed. I note that the European Scrutiny Committee has its reservations about safeguarding the rights of the person subject to the order as well as the person who has requested it, and although I fully understand the need to give the person subject to the order the opportunity to safeguard their rights, I have concerns about how any such safeguarding could be applied.

For example, if the person with a civil law protection measure goes on an extended holiday or goes to work in another European country for a year, would the person subject to the order need to know when and where? The regulation as drafted seems already to provide adequately, through the certification process, that an existing measure can be recognised and applied throughout the Union within the limits of the original application. Indeed, the fundamental rights safeguard at article 10 and, of course, the rights of the person subject to the order at the time it was applied for seem more than adequate, but I look forward to hearing from right hon. and hon. Members if they think otherwise on this point. I am pleased that the Secretary of State, in his explanatory memorandum dated 2 June, seems to welcome this regulation.

I will turn now to the council resolution on the road map. The road map essentially shows how both the draft directive and the draft regulation fit into an overall scheme for improving the EU's approach to victims' rights. Given the reasons why the Commission felt that the 2001 framework failed, it is a little sad to see the Government seeking to press for less detailed measures on how the victims directive can be brought into effect. The European Scrutiny Committee, in putting forward the document for debate on the Floor of the House, asked the Government to provide more information on the probable substance of each measure that the Commission is to propose as part of the road map.

I am grateful to the Lord Chancellor for welcoming this evening's debate and recognise that the Government have provided a good explanation of their views in the memorandum, but sadly we seem to be lacking the additional detail this evening that the Committee requested. That point is worth repeating: the European Scrutiny Committee, in putting forward the document for debate on the Floor of the House, asked the Government to provide more information on the substance of each of the measures that the Commission is to propose. I am not sure whether the Lord Chancellor intends to provide that when he winds up—I can only hope.

A good place to begin my concluding remarks on the matters before us is the question of how the Commission's proposals compare with the victims law for homicide cases proposed by Louise Casey. The victims commissioner has addressed the situation in the UK in homicide cases, and to my mind that is a good benchmark for what we should expect for all victims across the EU. The victims commissioner believes that a victims law should make it clear that the coroner will release the body to the family for burial within 28 days, unless exceptional circumstances apply. The proposals before us do not mention that at all, and yet we have heard from right hon. and hon. Members this evening that this is one of the fundamental issues that they feel passionately about and that affects constituents up and down the country time and again. In my humble opinion the Government are plain wrong in their stubborn refusal to implement the position of the chief coroner, and I hope that when they are made to see sense, they will also ensure that the chief coroner addresses this distressing issue and that such measures will be raised with the Commission in negotiations on the road map.

The victims commissioner also believes that the police should legally have to keep families updated at each stage of the investigation, and I believe that the draft directive addresses that key point. It must not be watered down in negotiations. Similarly, Louise Casey believes that a police protocol should be put in place for reviewing cases that remain unsolved and that it should set out clearly how and when families are to be consulted and

[Robert Flello]

kept updated. Again, although not part of the draft directive or road map, that is clearly an area that the Lord Chancellor's Department should raise with the Commission.

Another point made by the victims commissioner is that families should have the right to information from the Crown Prosecution Service, and to meet the CPS lawyer at key stages of the process, including on conviction or acquittal, and on appeal. That is covered by the draft directive, and should be strongly pursued. Those needs are addressed in the draft directive, but they should be enshrined in law, with the right of redress when not met.

In conclusion, the Opposition welcome the Commission's approach, and urge the Government not to procrastinate or seek to gain wriggle room, but to embrace the opportunity to turn the page on their recent errors of judgment, and give their approval to measures that should ensure that victims of crime across the European Union have at the very least a minimum standard on which they can rely.

10 pm

Mr Kenneth Clarke: It is a long time since I have taken part in a debate on the Floor of the House on any European subject that was completely free of any controversy. *[Interruption.]* Certain Members were not here. We all congratulate the Chair of the European Scrutiny Committee, the hon. Member for Stafford, on selecting the measure for debate, because we all agree on the great importance of giving better protection to victims of crime, not only in this country but across the European Union.

Mr Cash: I am sorry to have to remind my right hon. and learned Friend that, in fact, I am now the hon. Member for Stone. It was during the Maastricht debates that I was the hon. Member for Stafford.

Mr Clarke: I will not weigh up the issue of whether Stafford has lost or gained, or whether Stone has benefited or been deprived, but I enjoyed the debates on the Maastricht treaty. We were not quite as close on that occasion as we are on the directive.

This is an extremely important subject, and there is general agreement that the framework agreement of 2001 is not adequate and should be improved, which is the objective of the Commission's documents. The proposals have received extremely widespread support, and were movingly supported by Members whose constituents had been adversely affected. The hon. Member for Liverpool, West Derby (Stephen Twigg) cited the case of Mr and Mrs Dunne, and a constituent of my hon. Friend, the Member for Ipswich (Ben Gummer) was murdered in Spain. The hon. Member for Carshalton and Wallington (Tom Brake) discussed difficulties that he had encountered. As I said at the beginning of our debate, we are trying to raise European standards on the issue because many British citizens go abroad and their families would benefit if minimum standards—and we hope very adequate standards—were in place throughout all member countries.

It was claimed that that could be achieved by bilateral agreements with other member states. With respect, I do not think that that is practicable. The notion that bilateral agreements have to be negotiated with 26 EU member states, where the tradition of supporting victims is variable and in some cases far below that in the UK, is not the best way to proceed. I was urged by other speakers to support the Commission and the Hungarian presidency's Budapest declaration to see what we can do to strengthen support for everyone.

Reference was made to the work of Louise Casey, the victims commissioner, who shares the views of my hon. Friends and of the hon. Member for Liverpool, West Derby about the importance of considering the problems experienced by bereaved families. Victim Support, the biggest organisation in the field of victim support, supports the proposed directive, and it has urged the Government to take a constructive approach to it. It was said that its funding had been cut, but we have responded to the opinions expressed by the victims commissioner. We need to make sure that specialist, targeted support is available for vulnerable victims. Many hon. Members have been victims of crime—probably, almost everyone—but people do not always need counselling and support afterwards. Bereaved families, however, are a particular concern of Louise Casey, who has produced a report on the subject. We have given extra support to specialist services for bereaved families and victims of rape and sexual assault. More targeted support is required. We have a code of practice in this country that also needs to be revised and improved in the light of experience, and everybody is pressing in the same direction on that.

The hon. Member for Stoke-on-Trent South (Robert Flello) was pretty supportive of the proposals before us. Like my hon. Friend the Member for Stone (Mr Cash), he talked particularly about protection orders. The idea of mutual recognition of protection orders throughout the European Union is very valuable. These orders are usually given when someone is being harassed, often by a husband, partner or spouse with a history of domestic violence. If we do not have mutual recognition of the orders, the consequence is that every time anybody travels in Europe, they are obliged to try to get a fresh court order in the area where they are then living and give evidence again about the same experiences. Where possible, we should support this move. We have already opted into the criminal law directive on the subject, and we will do so on the civil order once we have scrutinised it to make sure that the two will work together and that particular burdens are not put on us.

My hon. Friend the Member for Stone talked about the possible resource and administrative implications for this country. I do not see any insuperable problems in the proposals, but we will obviously have to scrutinise them in detail because we cannot accept unnecessary extra resources or administrative burdens being demanded of us. That is highly unlikely because we are so far ahead in the field compared with most other member states, but we will bear that concern in mind.

Mr Cash *rose—*

Mr Clarke: I will give way one last time.

Mr Cash: Will my right hon. and learned Friend also bear in mind the severe criticisms, most of which are entirely justified, about our moving generally towards a compensation culture?

Mr Clarke: Compensation for victims has been established here for very many years. We would like to see good standards established throughout the European Union because British subjects are victims of crime when they travel and should be entitled to compensation. We have to get the balance right between the proportionality that the hon. Member for Stoke-on-Trent South talked about and the excessive burdens that my hon. Friend the Member for Stone warned against. That is the kind of thing that we can do in the detailed negotiations that will undoubtedly have to take place before the directive can be applied.

I welcome this debate. The hon. Member for Stoke-on-Trent South raised, as he was quite entitled to, all kinds of aspects of victim support of a wholly domestic nature to which we will pay attention, as we are hoping to modernise our own code. I assure right hon. and hon. Members that we work very closely with the victims commissioner in this whole field and greatly value the contribution that she makes as an advocate of the victim's cause. I also assure Members that decisions on opt-ins are guided, in the end, by what we regard as in the interests of British citizens and the national interest within the European Union. However, I take on board the feeling in the House that increased co-operation in this respect is plainly desirable as a benefit to all those Europeans who travel frequently throughout the Union. We will certainly take on board the views expressed by Members who have taken part in the debate when we take our decisions on all these subjects.

Question put and agreed to.

Resolved,

That this House takes note of European Union Documents No. 10610/11 and Addenda 1 and 2 relating to the Draft Directive establishing minimum standards on the rights, support and protection of victims of crime, No. 10613/11 and Addenda 1 and 2 relating to the Draft Regulation on mutual recognition of protection measures in civil matters, No. 10612/11 and Addenda 1 and 2 relating to a Commission Communication–strengthening victims' rights in the EU and the unnumbered Explanatory Memorandum dated 16 May 2011 relating to a Council Resolution on a Roadmap for strengthening the rights and protection of victims, in particular in criminal proceedings; and welcomes the opportunity to consider views on whether the UK should opt in to the draft Directive establishing minimum standards on the rights, support and protection of victims and the Draft Regulation on mutual recognition of protection measures in civil matters.

Business without Debate

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)).

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Mark Hoban relating to International Monetary Fund.—*(Mr Vara.)*

Question agreed to.

DRAFT FINANCIAL SERVICES BILL (JOINT COMMITTEE)

Motion made,

That this House concurs with the Lords Message of 21 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That a Select Committee of six Members be appointed to join with the Committee appointed by the Lords to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That the Committee should report on the draft Bill by 1 December 2011.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Nicholas Brown, Mr David Laws, Mr Peter Lilley, David Mowat, Mr George Mudie and Mr David Ruffley be members of the Committee.—*(Mr Vara.)*

Hon. Members: Object.

BUSINESS OF THE HOUSE (13 JULY)

Ordered,

That, at the sitting on Wednesday 13 July, notwithstanding paragraph (2)(c)(i) of Standing Order No. 14 (Arrangement of public business), opposition business may be proceeded with until 7.00 pm; and proceedings shall then lapse if not previously disposed of.—*(Mr Vara.)*

BUSINESS OF THE HOUSE (18 JULY)

Ordered,

That, at the sitting on Monday 18 July, the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Secretary Chris Huhne relating to National Policy Statements not later than 9.00 pm; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Vara.)*

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

INTERNATIONAL MONETARY FUND

That the draft International Monetary Fund (Increase in Subscription) Order 2011, which was laid before this House on 13 June, be approved.—*(Mr Vara.)*

The House divided: Ayes 274, Noes 246.

Division No. 320] **[10.10 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon

Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Gummer, Ben
Gyimah, Mr Sam
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, rh Mr Charles
Kirby, Simon
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Lull, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Ollerenshaw, Eric
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Penrose, John
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and Bill Wiggin

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Baker, Steve
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Binley, Mr Brian
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Campbell, Mr Alan
Campbell, Mr Ronnie
Carswell, Mr Douglas

Cash, Mr William
Chapman, Mrs Jenny
Chope, Mr Christopher
Clappison, Mr James
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Philip
Davis, rh Mr David
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Gray, Mr James
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Henderson, Gordon
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Kelly, Chris
Kendall, Liz
Lavery, Ian
Lazarowicz, Mark
Leigh, Mr Edward
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McCartney, Karl
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mills, Nigel
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Offord, Mr Matthew
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Percy, Andrew
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reed, Mr Jamie
Reevell, Simon
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Henry
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Sutcliffe, Mr Gerry
Tami, Mark
Tapsell, Sir Peter
Thornberry, Emily
Timms, rh Stephen
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Vickers, Martin
Walker, Mr Charles
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittingdale, Mr John
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and Gregg McClymont

Question accordingly agreed to.

Carnforth Station

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

Mr Speaker: In calling Mr David Morris, I appeal to Members leaving the Chamber to do so quickly and quietly, so that the hon. Gentleman can be courteously heard.

10.24 pm

David Morris (Morecambe and Lunesdale) (Con): Thank you, Mr Speaker. It is a privilege to speak this evening on a subject that is close not only to my heart, but to the hearts of my constituents. Many in the House would not know the relevance of Carnforth station other than knowing that it was the site for the filming of "Brief Encounter". Since then, however, the station has unfortunately fallen into disrepair, and during the Beeching era all the trains were brought to Carnforth to be scrapped. Today, I am imploring the Minister to take on board my remarks because Carnforth station is the centre of the railway universe in this country. Everything passes through it from Edinburgh to London but nothing stops there.

I thank the Minister for being here to listen and respond to this important debate. I must stress that I speak for the whole community of Carnforth. That community has been built up from a railway town. Years ago the nearest major town was Warton, where the Washingtons were from, but then Carnforth developed because it was a railway town. Eleven years ago, a friend of mine, Peter Yates MBE, whom I am pleased to say is here today, brought the community together and raised £1.4 million to rebuild this historic station not just for the sake of the station, the community, the "Brief Encounter" café and the iconic clock—if anybody goes to Carnforth, they will see just what an amazing place the station is—but so that the station can be used as a railway station once again.

Although we would not have used the phrase at the time, this was a big society project—before the phrase was even coined. The community is united in asking for help for the next step in reopening the west coast main line and the trans-Pennine platforms. However, we are in a Catch-22 situation. The trans-Pennine and west coast main line trains cannot stop at Carnforth because there are no platforms there—it is a chicken and egg situation. Carnforth was not even included in the route utilisation strategies report to any great extent because the trains could not stop there, yet everything goes through it. We cannot put the platforms in, however, until the rail operators agree to stop there.

As a community, therefore, the people of Carnforth have suggested that we take the bull by the horns and request that we start negotiations with the Department for Transport and Network Rail to start rebuilding the platforms. We need to cut through this Catch-22 situation, which is nobody's fault but is highly damaging to the whole community. We envisage a future in which trains from north, south, east and west will use Carnforth as a hub for north Lancashire and the south lakes. With all the will in the world, Oxenholme is, with respect, too small to be the hub. We have tried it for many years but it has not worked. The Lake district is full of cars because existing rail services cannot cope with the capacity.

I recently spoke to Chris Gibb from Virgin Trains about this subject, and happily he agreed that Carnforth is in a strong position to be a rail-ride hub. Not only do we have the space and direct and fast access to the Lake district via the M6; we have a comprehensive road network in the area. Virgin was clear that anything that pushed more lakeland tourism into the west coast main line would get its support, and now we have agreed an action plan under which Virgin will agree to stop trains there if it is satisfied with Carnforth. We also have the solid support of Councillor Tim Ashton, the head of transport at Lancashire county council, who was good enough to accompany me to the last meeting we had with the Department.

It is not only tourists who would benefit from these platforms being rebuilt. At the moment, it is hard to travel between the Furness peninsula and Kendal. It would be an easy and short journey if passengers could change at Carnforth and it would enable ease of access to the lakes for those on the east coast. Enabling commuters to move around our area by public transport would bring huge economic and environmental benefits to north Lancashire and the south lakes. When the now Minister of State, Department for Transport, my right hon. Friend the Member for Chipping Barnet (Mrs Villiers) visited Carnforth during the election, the train stopped in the station for 10 minutes. That was my cue to get her to Lancaster. If anybody has ever driven around Lancaster, they will know that it is the biggest car park in Europe. I had to park the car up, transport myself through the streets and put her on the train that had stopped at Carnforth half an hour before.

With an expanding population and given the space that it needs to grow, it seems logical to give Carnforth the chance to live up to its potential. This Government have already taken important steps to boost connectivity in our area. They have started the first serious negotiations on open access to the west coast with Alliance Rail. For those right hon. and hon. Members who are not familiar with the proposal, Alliance plans to run services in competition with Virgin using free space in the timetable. Those services would use brand-new hybrid trains, which are good for the environment and would enhance the whole network. Because the services would go to Barrow rather than Glasgow, they could stop at the existing platforms at Carnforth and provide a direct London service, but that welcome new service would be even better with our new platforms. The proposal is very welcome, and I think I speak for everyone in my constituency, and certainly for the community in Carnforth, when I say that I hope the negotiations will lead to Alliance Rail becoming a reality.

The Government, despite opposition, are pushing ahead with High Speed 2. Once HS2 is built, we will be able to stop west coast trains at many more stations. We want Carnforth to be one of the stations that benefits, and with the platforms already in place we would be a prime location. But we could also offer lots in return, enabling west coast passengers to enjoy all the benefits of rail ride that I talked about earlier. This would be a real integrated transport system whose benefits would far outstrip the cost of the platforms.

On the subject of cost, the £1.4 million previously raised by my friend Peter was not from Department for Transport rail budgets; it was raised through one-off grants and local fundraising. If we get permission to build the new platforms, I would like to stress that we

will not come with a begging bowl to either the Department or Network Rail. We will raise our own funds for our project. That is unheard of, but we can do it. We have already rebuilt the station from a shell, and we can re-lay the platforms. In a time of difficulty, it is only fair that we pay our way, and we are doing that, as people in Carnforth have always done.

Today, I have tried to sketch out in the simplest detail why this complex proposal would have huge benefits for our region. Clearly, I have left out certain details because of time and complexity, and as this is the last speech of the day, I am sure that we would all like to go home. However, this is very important for the whole community in Carnforth, including the Railway Trust. Peter Yates has prepared an excellent report that I am happy to supply to anyone who requests it. We have everything in place to be a real transport hub—except the platforms. We are committed as a community to put them in; we just need Government support.

I know that this is a strange request, but let us look at the benefits. We are not going to ask for any Government money. We have a proven track in our community projects of rebuilding and the whole community is behind the proposal. This is the big society in its highest form. We want to integrate with an infrastructure network that has been serving our country for more than 100 years, and I would like to ask for formal negotiations to begin, so that we can talk to everyone concerned about re-establishing the platforms for the benefit of the whole community of Carnforth.

10.33 pm

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I congratulate my hon. Friend the Member for Morecambe and Lunesdale (David Morris) on securing this timely debate on the important subject of platforms at Carnforth station, and on enabling us to have this brief encounter tonight. He has set out with great clarity the arguments in favour of reinstating the fast-line platforms at the station, and his passion and commitment cannot be doubted. I also pay tribute to the work carried out by local people in restoring the station to its former glory.

In 1945, David Lean filmed his romantic classic "Brief Encounter", starring Celia Johnson and Trevor Howard, at Carnforth station. Many will remember the key role that the station played in the film. The image of the station clock remains resonant for many filmgoers, as my hon. Friend mentioned. However, a long period of decline set in, following the Beeching era. By the early 1990s, the once splendid station had fallen into disrepair. The Carnforth Station and Railway Trust Company Ltd was formed as a local initiative in November 1996 to restore the derelict buildings. A £1.5 million project was commenced in late 2000 in co-operation with Railtrack. After three years' work, the Brief Encounter refreshment room and visitor centre was opened on 17 October 2003. That represented a remarkable achievement by local people in the Carnforth area, which I commend.

As my hon. Friend explained, local ambitions at Carnforth now focus on the reinstatement of the mainline platforms at Carnforth station, which closed in 1970. However, it would not be possible to discuss the reinstatement of the mainline platforms without referring to the planned developments for inter-city rail services on the west coast main line.

In January, the Government issued a consultation on the specification for the new inter-city west coast franchise, which is due to commence in 2012 and will replace the current Virgin Trains rail franchise. The current franchise operates more than 300 train services a day, delivering more than 26 million passenger journeys and 3.2 billion passenger miles a year, providing train services along the west coast main line from Euston to Glasgow in Scotland. It serves the key cities of Birmingham, Liverpool, Manchester, Edinburgh and Glasgow, and north Wales. Passenger growth has shown a continuous increase since 2003. The effects of the volcanic ash clouds in 2010 and earlier this year and the associated aviation disruption have contributed to a considerable modal shift from air to rail—something that the Government very much welcome for climate change reasons. The objectives for the new franchise set out in January therefore include exploiting the full potential of the route and maximising capacity.

The Government believe that the former system of franchising had become too prescriptive at the point of bidding and lacked flexibility once operational. A new franchising system has been devised to facilitate and encourage significant private investment, and is designed to deliver important benefits for passengers. The Government also believe that longer franchises are necessary to encourage such investment, build successful long-term working relationships with Network Rail, focus franchises more strongly on the quality of outcomes for passengers and deliver the best possible value for money for the taxpayer in a highly constrained public spending environment.

Where does all that fit in with the Carnforth station platform request? Let me turn to the local aspirations for the station once again to become a stop on long-distance services. It is important to emphasise that both the current Virgin Trains franchise and the new inter-city west coast franchise have to accommodate many different markets. A key issue in any proper consideration of the matter is whether a proposal to stop London train services at reinstated platforms at Carnforth would work operationally and commercially. Initial analysis by the Department suggests that a call at Carnforth would require a stop at another station to be deleted. Therefore, a potential gain at Carnforth would result in a disbenefit to passengers from other stations on the route. Obviously that would require some hard and careful decision making.

David Morris: I should point out that Virgin trains stop in Carnforth for 20 minutes in the morning and evening, but they do not let passengers on. I spoke to Chris Gibb about this subject less than 12 months ago, and he said that if we had the platforms, those trains could take passengers on. The issue is something to do with the schedule for cleaning the trains.

Norman Baker: I am grateful to my hon. Friend for that information, which I was not aware of. I will investigate that to see whether it represents a way forward. My point, however, is that there is a potential trade-off between extra stops on the service and the speed of the journey between two key points where the main market is. In an ideal world, we would obviously like to meet both requirements—the local aspirations that exist, as

[Norman Baker]

well as the need to get longer-distance traffic transferred from air to rail—and journey times are key to delivering that. However, I will certainly look at his point, which is valid.

It is fair to say that the west coast main line is heavily used in the Carnforth area, with up to three long-distance services an hour between London, Birmingham or Manchester and Glasgow or Edinburgh, plus regular freight services. Those trains are already popular and well loaded. Capacity problems already exist, and growth in demand continues. Indeed, it is interesting to note that, even in the recession, we have seen buoyant markets for rail that have continued to expand at a time when other forms of transport have not seen the same response. Despite the £8.8 billion upgrade, the west coast main line is already suffering some congestion when it comes to access for freight services and local services, so we have to ensure that the line is used to best capacity.

Network Rail's route utilisation strategy for the west coast main line was published on 1 July. It corroborates the heavy usage of the line and the resulting capacity issues, but as my hon. Friend said, it did not consider the reinstatement of the platforms at Carnforth. The Department's analysis is that journey times would be increased by around five minutes to accommodate calls at reinstated platforms at Carnforth. That has to be borne in mind and weighed against the significant journey savings and more frequent services that have resulted from the upgrade to the west coast main line. London to Glasgow is now 30 minutes quicker than it was before the changes, with a very competitive four hour and 50 minute journey time, while trains from Manchester airport and Birmingham to Glasgow and Edinburgh are now around 20 to 30 minutes faster.

These enhancements have delivered significant revenue growth since December 2008 and increased rail's share of the total travel market on the routes served by the west coast main line. These are markets rail serves well and there are strong calls for further journey time reductions, as my hon. Friend will recognise. All these and a number of other issues mean that stopping long-distance London services at Carnforth would probably involve a number of trade-offs that are less straightforward than might first seem to be the case. As I said, however, I will investigate the specific point that my hon. Friend raised with me and write to him about it subsequently.

Similar considerations apply to the other train services that operate on the west coast main line and might also be candidates for additional stops at reinstated platforms, such as the services currently originating in Birmingham and Manchester. It is already possible to travel direct between Carnforth and other stations to the south. This seems to imply that the main benefit of stopping non-London services at reinstated main line platforms at Carnforth would be to create new direct journey opportunities between Carnforth and stations to the north—including Oxenholme, Penrith, Carlisle and other northern destinations into Scotland.

As can be seen from what I have said today, nobody should underestimate the fact that reinstating the fast-line platforms at Carnforth station would involve more than some hard decision making. It is not simply a question of finding the money for the platforms, although I pay tribute to the tremendous spirit that my hon. Friend and his constituents are demonstrating in their willingness and determination to try to secure their reinstatement. Local funding is, of course, important for platform reinstatement, but it does not necessarily determine whether a future franchise would require trains to stop there. It is certainly a way forward and clear willingness has been shown to secure money for that particular end. Indeed, as I mentioned in my opening remarks, local people have already demonstrated what they can achieve with the improvements already made to Carnforth station.

Such local funding, if enough could be found to cover the potentially substantial costs, would reduce the initial financial burden. However, we would also have to ensure that the ongoing additional maintenance and renewal costs were covered. The next step for those in favour of reinstating the fast-line platforms at Carnforth would therefore be to identify how this reinstatement could be delivered and, indeed, funded in the longer term in respect of those additional maintenance and renewal costs. The Government believe that the local authority would also have an important role to play and we would wish to see whether it supported such a move as part of its transport strategy. Equally, it would be vital that there was clear support from a train operating company for such a move.

In conclusion, the Government welcome local initiatives to improve rail services as fitting their wider localism agenda. The Department is always very happy to provide advice and guidance, but we think that decisions such as this are best made locally. At the end of this debate, let me say to my hon. Friend that I recognise and sympathise with the case he has put. There are significant problems, which I have identified—stopping services and the penalty in journey times—but I will go back to my officials and raise with them one more time the points that he has raised tonight to see whether there is any way we can make any progress, without me making any commitments from the Dispatch Box tonight. I will write to him about both the general and specific points he has raised.

Question put and agreed to.

10.43 pm

House adjourned.

House of Commons

Tuesday 12 July 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

NHS Funding

1. **Karl McCartney** (Lincoln) (Con): What arrangements are in place to ensure increased funding for the NHS during the comprehensive spending review period. [65106]

The Secretary of State for Health (Mr Andrew Lansley): We will increase NHS funding in real terms in each year of this Parliament. Compared to the level of expenditure in the national health service in the last financial year, the resources available to the NHS will increase by £12.5 billion by the end of the spending review period. The budget available for the NHS in the financial year 2011-12 is 3.9% higher than spend in the previous year, 2010-11.

Karl McCartney: Can my right hon. Friend give me any examples of how the increased funding this Government have promised here in England is, unlike what is happening in Wales, delivering better care for our NHS services?

Mr Lansley: Yes, I can indeed do that. We are committed to real-terms increases in the NHS budget in England. According to an analysis by the King's Fund, the Welsh Assembly Government—a Labour-led Welsh Government—are going to reduce the NHS budget by 8.3% in real terms by 2013-14 in comparison with 2010-11. That might be one reason why it is already the case that in Wales, 26.4% of patients in April 2011 waited more than 18 weeks for treatment.

Chris Leslie (Nottingham East) (Lab/Co-op): Will the Secretary of State confirm that his definition of a real-terms increase is based on a 2.9% figure? Will he also confirm that the retail price index actually stands at 5%, so any claim that he is increasing the NHS budget in real terms is a complete and total con?

Mr Lansley: I think that it has been conventional over many years for the calculation of real terms in public accounting to use the GDP deflator. Given that it includes the prices of investment goods, Government services and exports and subtracts the price of UK imports, it gives a more appropriate overall measure of inflation.

Henry Smith (Crawley) (Con): Does my right hon. Friend welcome the increase in the NHS West Sussex budget of £35 million this year, which, coupled with the provisions of the Health and Social Care Bill, means that we will have far greater patient choice in our local area?

Mr Lansley: Yes, I do indeed welcome that. We all know that last year, this year and in future years, increases in the NHS budget in real terms will not be the kind of real-terms increases we saw in the past, but they will be real-terms increases. What we are already seeing in the NHS—we saw it last year—is that with a 2.2% increase in cash spending, there is none the less an ability to sustain, and in many respects improve, performance.

John Healey (Wentworth and Dearne) (Lab): In spite of the spin, the truth is that the Prime Minister's personal promise to give the NHS a real rise in funding is being broken. It is not just how much that counts; it is how well the money is spent. Today it is one year to the very day since the Health Secretary launched the Government's plans to "liberate" the NHS. He told the House:

"we will phase out the top-down management hierarchy"—[*Official Report*, 12 July 2010; Vol. 513, c. 663.]

He said that he would reduce "the number and cost" of NHS-related quangos, so why is he setting up the new national commissioning board, set to employ 3,500 people, when even its chief executive says that it

"could become the greatest quango in the sky we have seen".

Why is the right hon. Gentleman setting up more than 500 public bodies in the NHS when 161 do the job now, and why are the Government wasting precious NHS funding on the biggest reorganisation in history, when it could and should be spent on patient care?

Mr Lansley: Since the election we have reduced the number of managers in the NHS by more than 4,000 and increased the number of doctors by more than 2,000. The NHS commissioning board—I did not hear from the right hon. Gentleman whether he supports it—is part of our strategy to give the NHS not only local clinical leadership but national leadership through it. The functions covered by the board are currently undertaken by something approaching 8,000 staff; the number delivering those functions in future will go down to 3,500 staff, so the reduction in administration will be dramatic.

John Healey: We had plans to reduce bureaucracy, which were published, and we also said that the Government should keep Labour's waiting time guarantees for patients, which the Health Secretary told the House a year ago today were "unjustified" targets, which he would remove. The Prime Minister has now promised to keep waiting times low, but after one wasted year of NHS reorganisation by the right hon. Gentleman's Government, an extra 25,000 patients a month are waiting more than four hours in accident and emergency departments, an extra 12,000 patients a month are waiting more than six weeks for tests, and an extra 2,300 patients a month are waiting more than 18 weeks to get into hospital for the

treatment they need. The NHS deputy chief executive has called the rise in long waiting times this year "unacceptable". Does the Health Secretary agree?

Mr Lansley: As we said in the NHS constitution, we do not intend patients to be waiting for more than 18 weeks. [HON. MEMBERS: "They are!"] The April figures show that we met the operational standard, which is that more than 90% of admitted patients and more than 95% of non-admitted patients should be treated within 18 weeks. The right hon. Gentleman's analysis of waiting times did not include the fact that the average time for which patients waited for treatment in April was 7.7 weeks, down from 8.4 weeks in May 2010. The average time for which patients wait is being reduced.

Funding Care and Support

2. **Bill Esterson** (Sefton Central) (Lab): What assessment he has made of the conclusions and recommendations of the recent report by the Commission on Funding of Care and Support. [65107]

7. **Chris Ruane** (Vale of Clwyd) (Lab): What assessment he has made of the conclusions and recommendations of the recent report by the Commission on Funding of Care and Support. [65112]

11. **Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): What assessment he has made of the conclusions and recommendations of the recent report by the Commission on Funding of Care and Support. [65118]

15. **Roberta Blackman-Woods** (City of Durham) (Lab): What assessment he has made of the conclusions and recommendations of the recent report by the Commission on Funding of Care and Support. [65123]

The Minister of State, Department of Health (Paul Burstow): As the Secretary of State said in his statement to the House last week, the Government welcome the report of the Commission on Funding of Care and Support and will consider its recommendations carefully.

Bill Esterson: The Government may say that they welcome the report, but can the Minister explain why the White Paper on social care will now be published in spring 2012 rather than in December 2011, as the commission's report recommends? Do the Government want it to be kicked into the long grass because of Treasury interference?

Paul Burstow: The hon. Gentleman is entirely wrong. The Government's approach is to have discussions with the official Opposition and to engage fully with stakeholders from Age UK, Carers UK and many other organisations, not just about funding reform—which is an important part of our reform of social care—but about questions of quality and law reform.

Chris Ruane: My constituency in central north Wales contains a high percentage of pensioners, many of whom come from the industrial cities of the north-west and Birmingham. What protocols exist to deal with cross-border issues involving pensioners' care?

Paul Burstow: That important question must be partly addressed by the hon. Gentleman's colleagues in the Welsh Assembly, but one of the issues raised by the Law Commission's recommendations on law reform that we must address is that of ordinary residence tests to ensure that people have access to the right care at the right time and in the right place.

Ms Stuart: The Minister said that he was engaging fully with stakeholders. Does that include the Treasury, given reports that the Dilnot proposals are being strangled at birth?

Paul Burstow: Cross-government discussions take place about any matter that requires legislation and funding—and of course the Treasury plays its part in those discussions.

Roberta Blackman-Woods: Does the Minister agree that the Government need to act quickly on the commission's report, not least because the Southern Cross situation, which is affecting many people in my constituency, has shown that the current model, which involves relying largely on private care, is simply not sustainable?

Paul Burstow: We will return to that important matter later, with the urgent question. However, we must examine the position of Southern Cross and the business model that underpinned it very carefully, in order to understand how such a model was agreed to under the arrangements for regulating care providers that existed before the establishment of the Care Quality Commission.

Mr Stephen Dorrell (Charnwood) (Con): It is now more than a decade since Sir Derek Wanless first identified a funding gap in long-term care for the elderly. I welcome the Dilnot report, but will the Government act quickly to establish a partnership arrangement enabling private money contributed through insurance to be added to some public money, so that that funding gap can be filled?

Paul Burstow: The answer to the first part of the right hon. Gentleman's question is that the Government are already committed, through the spending review, to the provision of an additional £7.2 billion for social care over the next four years, which will involve an unprecedented transfer of resources from the NHS to social care. As for the second part of his question, the Dilnot report makes many recommendations, and the Government will work through them and present their conclusions next year.

Duncan Hames (Chippenham) (LD): The question of who benefits from the proposals, and by how much, depends on the assumptions made about the potential maximum outlay on care home residence under the existing arrangements. That may change as the length of time for which people live in care increases. Does the Minister accept that if the implementation of the proposals is to be progressive, both now and in the future, the Government will need to test, and keep under review, their assumptions about the longest likely duration of care in homes?

Paul Burstow: That is an important point. One of the factors that will change those assumptions is the extent of our effectiveness in preventing and postponing the

need for such services. "A vision for adult social care", which we published last year, emphasised the need for more investment in preventive measures. That is why we have provided, and continue to provide, additional resources for reablement, which not only does the individuals concerned a great deal of good but saves money for social services authorities.

Sarah Newton (Truro and Falmouth) (Con): Does my hon. Friend agree that in the months before the White Paper is published it will be important to take time to build the necessary all-party cross-House support for long-lasting reform?

Paul Burstow: My hon. Friend is absolutely right, and the exchanges on the Secretary of State's statement last week made it plain that we are committed to having those discussions and working to secure a long-lasting reform. That is the only way in which such a reform can secure the necessary changes, both in law and funding, for this country.

Rachel Reeves (Leeds West) (Lab): The Southern Cross crisis is causing extreme anxiety to the people who live in the homes, including the one at Hopton Mews in Armley, in my constituency. How will the Government ensure that local authorities and the Care Quality Commission have the necessary resources to oversee the transfer of homes to their new operators?

Paul Burstow: I shall certainly elaborate on how we are doing that in greater detail later. For some months we have been working with the landlords, the lenders and Southern Cross, and making sure that local authorities are fully prepared for any likely contingency and the CQC is ready to deal with re-registrations, should that become necessary.

Emily Thornberry (Islington South and Finsbury) (Lab): The Minister of State has told us that one of the reasons why the publication of the White Paper has been delayed is to allow cross-party talks, so I wonder whether he can help us: when will the meeting between the Prime Minister, the Deputy Prime Minister and the Leader of the Opposition take place?

Paul Burstow: I am surprised that the hon. Lady does not know. As I understand it, there is a date in all three people's diaries, but it is not for me to share that date. Although we do need to have cross-party talks between the leaders and the health spokespeople involved, we should also look back and draw some lessons from the royal commission on long-term care. What surprises me is that when that report was published by the right hon. Member for Holborn and St Pancras (Frank Dobson), all that was offered was a debate—not a debate that the Government would lead, but a debate that would take place across the country. We are still waiting for the end of that debate. This Government have a timetable and a commitment to engage.

Cancer Outcomes (Accountability)

3. **Mr John Baron** (Basildon and Billericay) (Con): What arrangements he plans to put in place to ensure clinical commissioning groups are held accountable for their performance in respect of cancer outcomes. [65108]

The Secretary of State for Health (Mr Andrew Lansley): The first NHS outcomes framework includes a number of outcomes relevant to people with cancer. For example, domain 1, on preventing people from dying prematurely, includes progress in improving one-year and five-year survival rates for breast, lung and colorectal cancers. A number of indicators will also be relevant to patients with cancer, such as health-related quality of life for people with long-term conditions, and improving the experience of care for people at the end of their lives. Clinical commissioning groups will be held to account for their contributions to improving those national outcomes through the commissioning outcomes framework.

Mr Baron: The all-party group on cancer and others lobbied for a greater focus on outcomes, but the one-year and five-year cancer survival rates may now be less statistically robust, as CCGs cover smaller population sizes than primary care trusts. Will the Government therefore give added priority to the excellent work of the National Cancer Intelligence Network in producing a set of evidence-based process measures to complement, not replace, other evidence so that CCGs can be held accountable?

Mr Lansley: The House will know of my hon. Friend's consistent support, through the all-party group, for patients with cancer. I entirely agree that a number of proxy measures and process measures will be relevant in the context of the commissioning outcomes framework. There may be measures that are attributable to CCGs individually in some respects. For example, the quality of life of people living with long-term conditions, to which I referred, would be relevant to a small population. For other measures, however, it may be appropriate for the CCGs to be held to account at the level of, for example, a cancer network, using cancer registry data.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): The considerable improvement and focus on breast, lung and bowel cancer is very welcome, but groups campaigning on prostate and ovarian cancer are extremely worried about both the lack of update guidance and the failure to reverse premature death, especially in ovarian cancer, over the last 30 years. Has the Secretary of State anything new to tell us about the direction in these areas?

Mr Lansley: The right hon. Gentleman will doubtless be aware that we published a quality standard for ovarian cancer, and that the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow), published the outcomes strategy for cancer, which will have been relevant to many of the issues to which the right hon. Gentleman refers. I continue to look forward to the results of a major trial on screening for ovarian cancer, but I am afraid that I anticipate that we shall not be able to see the results and recommendations for nearly three years.

GP Services

4. **Simon Hughes** (Bermondsey and Old Southwark) (LD): How many 24-hour GP services are in operation; and if he will make a statement. [65109]

The Minister of State, Department of Health (Mr Simon Burns): We are not aware of any GP practices that offer services on a 24-hour basis.

Simon Hughes: Will the Minister confirm that the Government would have no objection, and would not put any barrier in the way, if Guy's and St Thomas' NHS Foundation Trust and the local Southwark services wished to set up a 24-hour service at Guy's hospital, with the collaboration of the local community?

Mr Burns: As the right hon. Gentleman will know, the local NHS has responsibility for commissioning local primary care services, and in doing so it must take into account the results of the local population and their needs. If he is working with the hospitals and organisations that he has mentioned and he has some constructive ideas that they are going to consider, I too would be personally interested to hear from him about how they envisage doing things.

Mr Ben Bradshaw (Exeter) (Lab): What has happened to the Labour Government's guarantee that everybody should be entitled to see their GP within 24 hours, and also be able to book an appointment more than 48 hours ahead? Will the Minister publish a full performance table for GPs, so that the public can make an informed choice?

Mr Burns: As the right hon. Gentleman will know, the access measures concerning people being able to see their GP within a reasonable period of time are set out in the quality and outcomes framework. The evidence that I have seen certainly shows that our approach is generally working very well, although there are variations in different parts of the country, especially London, where I believe there is scope for improvement.

NHS Reorganisation

5. **Valerie Vaz** (Walsall South) (Lab): What discussions he has had with the Chancellor of the Exchequer on the cost to the public purse of NHS reorganisation arising from the proposed changes to the Health and Social Care Bill. [65110]

The Minister of State, Department of Health (Mr Simon Burns): The Treasury had sight of the impact assessment published alongside the Health and Social Care Bill, which estimated savings of about £5 billion by 2014-15, and £1.7 billion a year thereafter. A revised impact assessment will be published as the Bill progresses.

Valerie Vaz: I thank the Minister for his helpful answer. Given that there are to be new structures—the NHS commissioning board, the clinical senates, the local commissioning groups and Public Health England—will there be new money for them, or will the money come out of the allocated budget?

Mr Burns: I thank the hon. Lady for her helpful question. As she will appreciate, the money will come out of the existing allocations, but what she needs to understand is that as a result of this, and as a result of improving and cutting out wasteful inefficiencies and bureaucracy, we will actually be saving significant sums. Administration will be cut by a third, so that we can invest all the savings in front-line services.

Gavin Williamson (South Staffordshire) (Con): Does my right hon. Friend agree that although there is a cost in making these changes, it will have been paid back within two years, and that £5 billion a year will be available to be invested in front-line services and making sure that people in South Staffordshire get the best possible from their health service?

Mr Burns: My hon. Friend makes an extremely important point, because not only are his figures correct, but thereafter until the end of the decade there will be savings of £1.7 billion a year, on current projections. Every single penny of that will be reinvested in front-line services for patients.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Minister continues to insist that his reorganisation will result in savings that will be reinvested in patient care. Yet even before we have the impact assessment for the changes in the legislation, we know, as will Members across this House, that on a daily basis people are leaving primary care trusts with their redundancy money. That totals £800 million and upwards, and it has not been costed. We also know that the Royal College of General Practitioners has said that we will have gone from having 163 statutory organisations to having 521. Are not the costs of this misconceived car crash of a reorganisation spiralling out of control?

Mr Burns: The reality is that the hon. Lady does not understand, or will not accept, the figures published in the impact assessment. What she does not like is the fact that by the end of this Parliament there will be savings of about £5 billion, and thereafter of £1.7 billion until the end of the decade. That will all be reinvested in front-line services. The hon. Lady will not accept, and wishes to misrepresent to members of the public, the resulting benefits in improved and enhanced patient care.

Dentistry

6. **Mark Lancaster** (Milton Keynes North) (Con): What steps he has taken to increase access to NHS dentistry since May 2010. [65111]

The Secretary of State for Health (Mr Andrew Lansley): I am pleased to be able to tell my hon. Friend that the number of people with access to NHS dentistry has increased by nearly three quarters of a million over the past year.

Mark Lancaster: I am grateful to my right hon. Friend for that answer. In Milton Keynes in recent years we have seen greater access to dentistry. One area of particular concern is access to dentistry for children, so may I press my right hon. Friend on how exactly he will address that problem?

Mr Lansley: I agree with my hon. Friend. We have made it very clear that, contrary to the practice of the previous Government, we are not looking for dentists to deny access to NHS dentistry to children whose parents are not registered with them. Alongside increasing access to dentistry as a whole, we intend specifically to secure increased access for children to NHS dentistry. That will be even more the case in the pilots that we will start this month, which are specifically intended to

secure a more preventive approach to dentistry, which maintains good oral health. That is especially important for children.

Andrew Gwynne (Denton and Reddish) (Lab): Does the Secretary of State not understand that there has been real progress with the Tameside and Glossop primary care trust and their "access, booking and choice" facility, which guarantees access to NHS dentistry when they require it for anyone not already registered with an NHS dentist? Does he not understand that there are real concerns that with his reorganisation, and without that priority focus by the primary care trust, those advances may be lost?

Mr Lansley: On the contrary, with the progressive transfer of responsibilities to the NHS commissioning board there will be much more consistency in contracting for access to NHS dentistry, which at the moment is often a lottery in different places across the country, with the amounts paid per unit of dental activity varying dramatically between neighbouring practices. The new pilots are intended to achieve something that was not achieved under either of the two previous dental contracts, by securing a much stronger preventive approach based on capitation and registration for dentists. It has been welcomed by the dental profession and it promises a great deal for a new contract.

Sir Paul Beresford (Mole Valley) (Con): You will be aware, Mr Speaker, that I have some slight interest in this subject. Access to NHS dentistry is related to what is on offer. Does the Secretary of State agree that with the huge advances in dentistry, we should be reviewing what is and is not available, and what should or should not be available, from NHS general dental practitioners?

Mr Lansley: My hon. Friend will know that under the new dental contracts, I want to arrive at a point where everybody who wishes to has access to NHS dentistry. I was pleased to see that when we set out the details of the piloting proposal, the chair of the British Dental Association's general dental practice committee, Dr John Milne, said:

> "we are encouraged that the Department of Health is to begin testing new ways of delivering care. We are pleased that two principles that we believe are particularly important—quality of care and a continuing care relationship between practitioner and patient—are central to what is being piloted."

As in other areas, we are moving from a system that simply incentivises activity to one that is much more focused on quality and outcomes.

GPs (Premium Rate Telephone Numbers)

8. **Mark Pawsey** (Rugby) (Con): What guidance his Department issues on the use by GP surgeries of premium rate telephone numbers. [65113]

The Parliamentary Under-Secretary of State for Health (Anne Milton): The Department has amended the general medical services regulations to prohibit GP practices from using telephone numbers that charge patients more than the equivalent cost of calling a geographical number to contact the NHS. Since April this year, GPs have not been allowed to use a number that charges patients more than the cost of an equivalent geographical call.

Mark Pawsey: I have been contacted by a constituent who is a patient at a practice in Rugby that uses telephony based on 084 numbers. My constituent is concerned about the additional charges incurred by patients when contacting the surgery by phone, particularly by mobile phone. Will the Minister update the House on the work of the Department in ensuring that GP surgeries do not use such numbers unnecessarily?

Anne Milton: I thank my hon. Friend for raising this matter. I understand that five GP surgeries in NHS Warwickshire use 084 numbers, and that the primary care trust has been assured that patients using those numbers are not charged more than the cost of using an equivalent local number. It is absolutely clear that there is no distinction between landlines, mobiles or payphones. The directions are very clear that patients should not expect to be charged any more.

Mr Andrew Love (Edmonton) (Lab/Co-op): I, similarly, have three GP practices that use those telephone numbers. I have made extensive contact with my local PCT about this, but it did not seem to know what to do. Can the Minister assure us that the clear advice she is giving here today will be distributed around the health service, so that we can put an end to this?

Anne Milton: The Department is very clear, and the general medical services contract makes it very clear, that GPs are not allowed to do it. There are a number of options open to GPs who already have such telephone contracts, such as calling patients back, altering the contract arrangements or, indeed, paying the costs themselves.

Patient Outcomes

9. **Mr Matthew Offord** (Hendon) (Con): What steps he is taking to improve NHS patient outcomes. [65114]

The Secretary of State for Health (Mr Andrew Lansley): I am committed to ensuring that the NHS achieves improved outcomes for patients. The NHS outcomes framework will drive continuous improvement in those outcomes. By way of example, we have made good progress in reducing the number of health care associated infections. In the year ending March 2011 the number of MRSA bloodstream infections decreased by 22% and clostridium difficile infections decreased by 15%, compared with the year before. Those are key positive results in the drive to protect patients from avoidable harm.

Mr Offord: I applaud the Minister for his work in those areas, and I draw attention to the increased work in cancer care, which I also applaud. However, may I ask him to assure the House that he will not lose focus on other areas, such as mental health, and that the Government will continue to address problems in those areas, which have such consequences across the country?

Mr Lansley: I certainly will. Indeed, the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow), and I launched the outcomes strategy for mental health earlier this year, in order to make it absolutely clear that across the

NHS, and indeed public health, we ensure that mental health services attract the right priority and focus as we develop outcome measures.

Liz Kendall (Leicester West) (Lab): The Prime Minister has promised that waiting times will not rise despite his massive NHS reorganisation, but we now know that in May 15,500 patients waited more than six weeks for their diagnostic tests—four times as many as last year—and that 1,800 waited more than three months, which is 10 times as many as last year. Average waits for diagnostic tests are also up. Does the Minister agree with the Royal College of Physicians that those increased waits, including waits for vital tests to diagnose cancer, will harm patient care: yes or no?

Mr Lansley: No, we have met the standard that patients should not wait longer than 18 weeks—a 90% standard for admitted patients and 95% for non-admitted patients. If I recall correctly, the latest data for diagnostic tests showed that there was a 1.9 week average wait for diagnostic tests, which compares with 1.8 weeks in May last year. On cancer waiting times we have achieved an improvement—up to 96%—in the number of patients who are seen by a specialist within two weeks. The hon. Lady really needs to go back and talk to her colleagues in Wales, where 26% of patients wait longer than 18 weeks, compared with less than 10% of patients here; indeed, many patients in Wales wait more than 36 weeks. We have a contrast between a coalition Government in England who are investing in the health service, with improving performance, and a Labour Government in Wales who are cutting the NHS budget and seeing performance decline.

Health Care Infrastructure Projects

10. **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): What steps his Department is taking to provide funding for healthcare infrastructure projects. [65117]

The Minister of State, Department of Health (Mr Simon Burns): The Department's capital budget for this spending review period will be higher in real terms than spending in 2010-11. Forecast capital spending in 2010-11 is £4.2 billion and the amount available in 2011-12 is £4.4 billion. By 2014-15, the total amount of capital made available since the start of the Parliament will be £22.1 billion.

Dr Poulter: Is the Minister as concerned as I am about the failure of Suffolk primary care trust to act to invest in proper buildings and infrastructure for the Gipping valley practice in Claydon in my constituency? That practice has been forced to treat patients out of a portakabin for 15 years now. Will he agree to meet me, and local doctors and patient groups, to see whether we can find a solution to the problem?

Mr Burns: I fully appreciate my hon. Friend's concerns. As he will appreciate, the matter is primarily for the local NHS. If it is any consolation to him, I am advised that Suffolk PCT will continue to work with the GP practice on the issues, but I would be more than happy to see my hon. Friend to discuss the matter further.

Older People (Social Care)

12. **Stella Creasy** (Walthamstow) (Lab/Co-op): What estimate he has made of the change in net public expenditure on older people's social care since April 2010. [65119]

The Minister of State, Department of Health (Paul Burstow): The latest available data on social care expenditure are for 2009-10, when net expenditure on social care for older people was £7.5 billion.

Stella Creasy: Many of my constituents will have been deeply concerned by the admission of Peter Hay, the president of the Association of Directors of Adult Social Services, that nearly £1 billion is being taken out of social care budgets following cuts to local government, and by his warnings about the consequences for provision. When will the Minister deliver interim funding relief, so that patients are not stuck in hospitals because they cannot be discharged, and so that we can be sure that we will avoid a crisis in social care?

Paul Burstow: If the hon. Lady had read on, she would have found that £700 million of the £1 billion is to be found not through cuts in services, but through efficiency savings, for example through the use of telecare, which significantly reduces costs, and investment in reablement services, which save resources and help people to get back on their feet. That is all in the report that she is waving around. When it comes to investment, the Government have already made clear their commitment through the spending review, and are investing, by the end of this Parliament in 2014-15, an additional £2 billion—something that her party did not do when in government.

Bob Blackman (Harrow East) (Con): The extra money being given to adult social care should be good news, but in Harrow, the council, which is Labour-run, has applied the £2.1 million additional funding to redundancies in general areas, rather than passing it on to the weak and the vulnerable. Will my hon. Friend take action to ensure that the new money provided by the Government reaches the people who need it?

Paul Burstow: I am absolutely determined to make sure that the additional resources that the NHS is transferring to social care deliver real benefits for people who need social care services, protect services, and allow local authorities to make the right decisions about how they continue to support not just investment in prevention, but those most in need.

Pat Glass (North West Durham) (Lab): It is disappointing that we will now not see the Government's White Paper until the spring, but will the Government agree to take forward the commission's recommendations on national eligibility criteria and portable care assessments? The Minister will understand that that is now urgent, given the Southern Cross crisis.

Paul Burstow: The hon. Lady raises a question about eligibility; of course, we know from the latest figures in an ADASS survey that the majority of local authorities moved, under Labour, to "substantial" needs being the test for access to social care; that happened on her

watch, not this Government's watch. When it comes to portability, the Law Commission has made recommendations that the Government have to consider, and yes, we need to look to legislate on that.

Hazel Blears (Salford and Eccles) (Lab): The Minister was present this morning at the launch of a report on dementia care by the all-party group on dementia. He will know that the key recommendation is to shift resources from acute hospital care to more preventive services in the community. What steps will he take to ensure that that shift really happens, over and above the £1 billion that has been allocated, much of which has already been spent by local authorities on plugging the gaps caused by other cuts in their budgets?

Paul Burstow: As the right hon. Lady was at the presentation, she will know that it was also identified that we currently spend about £8 billion on dementia services, and the Audit Commission identified that we could save at least £300 million through better use of preventive and early-intervention services. The Government have set out a very clear approach. First, we need to invest in services to provide for earlier diagnosis, because that is the best way to plan for dementia. Secondly, we need investment in services in our hospitals that shorten the length of stay and deliver good quality. Thirdly, we need care homes with the right training for staff, so that they can manage dementia and behaviour problems effectively.

Mixed-sex Wards

13. **Alun Cairns** (Vale of Glamorgan) (Con): What progress he has made in reducing the use of mixed-sex accommodation in the NHS. [65120]

The Minister of State, Department of Health (Mr Simon Burns): In just six months, the number of reported breaches of mixed-sex accommodation guidance has fallen by 83%, from 11,802 in December 2010 to 2,011 in May 2011. Across England, the reported breach rate is now 1.4 per 1,000 finished consultant episodes, compared to 8.4 per 1,000 FCEs in December 2010.

Alun Cairns: A 93-year-old female patient from my constituency was placed in a cardiac ward opposite a mental health patient who also needed cardiac treatment. This male patient was much younger and was left in a near-naked state for much of the day. That caused so much distress to my constituent that she discharged herself early. What effort and focus can the Minister give to the NHS in Wales to ensure that such breaches and mixed-sex wards are ended?

Mr Burns: I am saddened to hear my hon. Friend's account of what happened in a hospital in, I assume, his constituency. I can appreciate how distressing it is. As he will understand, that comes within the responsibility of the Welsh Administration as a devolved power. My advice to my hon. Friend is two things. I hope the Welsh Assembly will, first, follow the example of my right hon. Friend the Secretary of State and concentrate on reducing mixed-sex accommodation, and secondly, stop cutting funding for the health service so that it can afford to do that.

Mr Mark Spencer (Sherwood) (Con): Can the Minister explain briefly how he has managed to make such rapid progress in 12 months, given that the previous Administration made no progress whatsoever?

Mr Burns: My hon. Friend has hit on an important issue. The answer is clarity of purpose and vision on the part of my right hon. Friend the Secretary of State not only to talk the talk, but to walk the walk and achieve dignity for patients in the NHS in England.

Hospital-acquired Infections

14. **Mr David Burrowes** (Enfield, Southgate) (Con): What progress he has made in reducing rates of hospital-acquired infections. [65121]

The Parliamentary Under-Secretary of State for Health (Anne Milton): As the Minister of State, my right hon. Friend the Member for Chelmsford (Mr Burns), has just said, clarity and vision are what is needed. The coalition agreement made it clear that the NHS should adopt a zero tolerance approach to all avoidable health care-associated infections, which have caused so many problems for the public over so many years. In 2010-11, there were just under 1,500 MRSA bloodstream infections. That is a decrease of 22% on the previous year. That means that infections are at their lowest level since mandatory surveillance was introduced. In the same period, there were just under 22,000 occurrences of C. difficile infections, which is a 15% decrease compared to the previous year. We will continue with our zero tolerance approach.

Mr Burrowes: I thank the Minister for that reply and the rapid progress made under this Government. I welcome the new C. difficile objective and the publication of weekly statistics, but does the Minister share my concern that it is the same hospitals that keep appearing with the highest number of C. diff cases? What is her Department doing to help those hospitals reduce such cases?

Anne Milton: My hon. Friend is absolutely right. Under the previous Administration there was a national target of reducing C. difficile infections by 30% by 2011, but that does not address the problem because, as he rightly says, there are hospitals that consistently had high rates of infections, so we changed that. Since April, every PCT and every acute trust has its own objective. The organisations with the highest rates of infection will have more ambitious objectives than those that are doing well.

Children's Heart Services

16. **Nic Dakin** (Scunthorpe) (Lab): What progress has been made on the review of children's congenital heart services. [65124]

The Minister of State, Department of Health (Mr Simon Burns): The consultation on the future of children's congenital services ended on 1 July. The joint committee of primary care trusts, which is overseeing the consultation, is expected to make a decision later this year, based on an independent analysis of the consultation, reports from overview and scrutiny committees, and a health impact assessment.

Nic Dakin: I thank the Minister for his reply and his thoughtful response to the Back-Bench debate that took place in the Chamber. Will he ensure that if any further reconfiguration options have emerged from the consultation, they are properly considered and go out to further consultation before a decision is made?

Mr Burns: Yes, I can give the hon. Gentleman a categorical assurance on that.

Greg Mulholland (Leeds North West) (LD): Further to the previous question, if there are further options in addition to the four already presented, I ask that the Government do not rule out looking at the matter again if it is shown that it is possible for Leeds and Newcastle to serve the north of England.

Mr Burns: As the hon. Gentleman will appreciate, I do not want to be drawn into that too far because this is an independent assessment by the joint committee of primary care trusts and I do not want to be seen to be interfering, but I can say that neither we nor the JCPCT have ever said categorically exactly how many centres there should be. It will be up to the JCPCT, as it considers the representations it receives, to decide how many there should be. If it decides to have more than four, it would not need the processes that he is suggesting because it has the power within its remit to increase the number if it thinks circumstances warrant it.

Older People (Cancer Care)

18. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What steps he is taking to improve cancer care for older people. [65126]

The Minister of State, Department of Health (Paul Burstow): We are working with Macmillan Cancer Support and Age UK on a £1 million programme to improve cancer care for older people. The programme consists of 13 pilot sites across the country to improve intervention rates for people over 70 who have a cancer diagnosis. Pilots will introduce new ways of assessing older people for cancer treatment, offer short-term, practical support for older people undergoing cancer treatment and will address any age discrimination in cancer services by identifying and addressing the training needs of all professionals working with older people.

Mrs Hodgson: I am sure that the Minister will have seen the report published today by the Roy Castle Lung Cancer Foundation, which reiterates the considerable research showing that older lung cancer patients do not receive the same level of treatment as younger lung cancer patients. In fact, it shows that a 60-year-old sufferer is six times more likely to be given surgery than an 80-year-old sufferer, which obviously means that their outcomes are considerably worse. How does the Minister explain that inequality and how can it be tackled?

Paul Burstow: I am grateful to the hon. Lady for highlighting that further piece of evidence that shows why the Government have already given a commitment to ensure that there are no exemptions for the NHS from the application of our duties in respect of age discrimination, as there should be no place for age discrimination in the NHS. In addition, the work we are doing with Macmillan Cancer Support and Age UK is the way forward to ensure that we learn the lessons and drive up standards for the care of older people.

Topical Questions

T1. [65132] **Rachel Reeves** (Leeds West) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the national health service in delivering improved health outcomes in England, to lead a public health service that improves the health of the nation and reduces health inequalities and to lead the reform of adult social care that supports and protects vulnerable people.

Rachel Reeves: Having met families and patients who use the children's heart unit in Leeds, I know the value of that service. Does the Secretary of State agree that asking families to travel across the country, which is the stark reality they face if the unit is closed down, puts at risk the family support that is so important to children during these difficult times, and will he pledge to do all he can to keep the heart unit open?

Mr Lansley: I am sure that the hon. Lady will have heard the reply from the Minister of State, Department of Health, my right hon. Friend the Member for Chelmsford (Mr Burns), who explained the continuing process that the joint committee of primary care trusts will undertake. In the context of her question, it is important to make it clear that the intention of the review is not to close paediatric cardiac centres. Surgery in some of the centres might cease, depending on the conclusions the committee reaches, but they will continue to provide specialist non-surgical services for local populations. The review intends to ensure that as much non-surgical care is delivered as close to children's homes as possible through the development of local congenital heart networks.

T2. [65133] **Claire Perry** (Devizes) (Con): Under the previous Government, Savernake hospital in my constituency was redeveloped. As a result, taxpayers have got stuck with nearly £1 million a year in private finance initiative unitary charges and local services offered have been cut drastically. Will the Minister undertake to look at all hospitals labouring under uneconomic PFI burdens and meet me to discuss the Savernake hospital situation specifically?

The Minister of State, Department of Health (Mr Simon Burns): I am grateful to my hon. Friend, because she has been campaigning on this issue for more than a year, and rightly so. Work is being done on the whole issue of PFI and the NHS to ensure value for money. Given her concerns, I would be more than happy to meet to discuss this particular case.

John Healey (Wentworth and Dearne) (Lab): I want to say to the Health Secretary directly that it is a disgrace how he and his Ministers have ducked responsibility for reassuring more than 30,000 elderly and vulnerable residents whose homes may be at risk because of the financial crisis at Southern Cross. Today's urgent question is the second time in a month that this House has had to

drag Ministers to Parliament to explain what is going on. Southern Cross is set to close down completely by October. Will the Secretary of State give a commitment this afternoon to the residents of Southern Cross, their families and 40,000 staff that Ministers will in future show leadership and make public statements to this House?

The Minister of State, Department of Health (Paul Burstow): I am grateful to the right hon. Gentleman for his question. He will of course know that when the first urgent question was asked, the Government had already provided a written ministerial statement setting out these matters in great detail, and we are happy to answer the questions that hon. Members will want to put in the urgent question later on. We have also said throughout that we do not help the welfare or interests of residents by an ongoing running commentary on these matters.

T6. [65140] **Mr Rob Wilson** (Reading East) (Con): Despite the Government making available an additional £400 million for primary care trusts to support carers, I understand that my local Princess Royal Trust carers service is finding it very hard to engage with the local PCT in my constituency. Will Ministers remind PCTs to follow guidance and work with local carers' organisations to develop plans for using the additional Government money that has been provided?

Paul Burstow: I share the hon. Gentleman's concern. The NHS operating framework that the Government published last December makes it abundantly clear that primary care trusts need to work with their local authorities and care organisations to agree a budget and, where possible, to pool it so that it can be provided to individuals to enable them to get respite in the way that suits them best. I will certainly be pursuing this through the Government's normal assurance processes to ensure that these things happen through the operating framework, but the hon. Gentleman might also want to invite his local overview and scrutiny committee to call to account local commissioners for the way in which they are behaving at the moment.

T3. [65134] **Mr John Spellar** (Warley) (Lab): NHS West Midlands is cutting nurse training next year by a fifth and predicting a reduction of 7.25% over five years in the qualifying work force—not bureaucrats, but nurses—thereby denying youngsters in this country training for a worthwhile profession and career. Is not this a scandal and a shambles, and what is the Minister going to do about it?

Mr Lansley: The right hon. Gentleman may not know this, but following representations made directly to me I have looked at this very carefully. The strategic health authority is currently responsible for the number of nursing commissions that it undertakes. It has assessed the number of commissions that it should undertake based on its future work force requirements and has reached the conclusion that it is indeed reducing the number of commissions in the west midlands. That is not true to the same extent in other strategic health authorities across the country. In the listening exercise conducted by the NHS Future Forum, further recommendations were made about how we can reform education and training, and we will be taking those forward to try to ensure that there is greater collective understanding of work force requirements.

Mr David Ward (Bradford East) (LD): Recent figures show that just over 40% of Bradfordians have not visited a dentist in the past two years, and many of my constituents say that that is simply because they cannot get an NHS dentist. Does the Minister agree that it would be extremely difficult for a centralised national commissioning board to deal with this insufficient supply of NHS dentists at a local level?

Mr Lansley: I am interested in my hon. Friend's point. As he will have heard in response to an earlier question, we are already increasing access to NHS dentistry, with a 0.75 million increase in the space of a year. In fact, it is probably possible to address more effectively some of these questions of access to dentistry through a consistent national contract that can be responded to locally through the work of the health and well-being boards, which will be able to make their own recommendations through the joint strategic needs assessment.

T4. [65135] **Yvonne Fovargue** (Makerfield) (Lab): Given that the UK has the worst one-year and five-year survival rates for lung cancer compared with Australia, Canada, Norway, Sweden and Denmark, as has been highlighted today by the Roy Castle Lung Cancer Foundation report, what measures is the Secretary of State taking to improve the detection of lung cancer symptoms in primary care?

Mr Lansley: The hon. Lady will know that we are focusing, as I said in response to an earlier question, on improving survival rates at one and five years for lung cancer, among other cancers. One essential task is to improve public awareness of the symptoms of lung cancer, and we are already piloting means by which we can do that. At the same time, there have been research trials on the effectiveness of X-ray screening for lung cancer, and we will look at the results shortly.

Mary Macleod (Brentford and Isleworth) (Con): I have been contacted by a constituent who has just graduated in dentistry but has been unable to find a placement for his dental foundation year. What support are we giving such students so that we increase access to NHS dentistry?

Mr Lansley: I understand that more dentists are currently employed in the UK than ever before. My hon. Friend makes an important point and if she is able to provide further details, I will pursue it, because one objective of deaneries should be to ensure that the major investment that we put into the initial education of dentists is followed through in professional training.

T5. [65136] **Anas Sarwar** (Glasgow Central) (Lab): Some 3,500 residents at 98 Southern Cross care homes, including 48 residents at Arcadia Gardens in my constituency, are facing an uncertain future. The Scottish Government have today said that they will work on the presumption that those people will still be in their homes after this crisis. What discussions has the Secretary of State had with Scottish Ministers about finding new operators and a solution that does not show complacency, but delivers continuity of care for the residents?

Paul Burstow: That is exactly what the Government are doing. We have had those discussions with the devolved Administrations, and officials are engaged with the landlords and lenders to ensure that they are doing just that. I look forward to answering the urgent question shortly.

Andrew George (St Ives) (LD): It is acknowledged that the rising rates of norovirus are worse where there is a shortage of acute hospital beds. How does the Secretary of State square the understandable desire to get on top of hospital-acquired infections with his zeal to reduce acute hospital beds?

Mr Lansley: I am grateful to the hon. Gentleman. He will understand that each hospital trust or acute trust must be responsible for ensuring that there is not an excessive length of stay for patients and that it has the ability to isolate patients if necessary. Norovirus is one circumstance in which trusts often have to open additional capacity. In my experience of hospitals, that is precisely what is generally done. There is an ability to open new capacity if necessary when norovirus strikes.

Mrs Jenny Chapman (Darlington) (Lab): Consulting on changes to health services is not an easy thing to get right. I think that the Secretary of State would agree with that. Will he undertake to look at the consultation taking place in County Durham and Darlington on acute stroke services, because I and the local council believe it to be misleading?

Mr Lansley: I will, of course, look at that consultation, with which I am not directly familiar. The four tests that I set out shortly after the election—understanding patients' current and prospective choice; understanding what is demanded by clinical safety and evidence; understanding the view of the public, as represented through the local authority; and understanding the intentions of commissioners, particularly the clinical commissioning groups that are being established—give a much stronger basis for understanding future configuration decisions.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I am sure that my right hon. Friend is aware of the campaign group Transplant 2013, which aims to increase the number of people on the organ donor register by 60% by 2013. Will he join me in encouraging people not only to sign up to the register, but to discuss that action with their families, so that when the time comes their whole family is aware of their wishes?

Mr Lansley: Yes, I join my hon. Friend in that. I have signed up to the organ donor register and have discussed that with my wife so that she knows my wishes. I encourage others to do the same. In the last few days, I have been to the retirement event of John Wallwork, who was the first surgeon to undertake a successful heart and lung transplant in this country. He has led the charitable activities on transplant over recent years. I know that he would share our desire for more organs to be available for this vital activity.

Grahame M. Morris (Easington) (Lab): Has the Secretary of State had an opportunity to pause, reflect and listen to the NHS foundation trusts, particularly North Tees and Hartlepool NHS Trust, which serves part of my area, given the uncertainties created by the Health and Social Care Bill and the difficulties that they are encountering in raising capital for new build and modernisation? In particular, will he indicate what consideration he has given to detailed safeguards?

Mr Speaker: Order. We must have short questions and short answers.

Mr Simon Burns: I appreciate that question, because I understand how important the issue is to the hon. Gentleman. We have had considerable discussions on this matter, which is currently being further discussed by the Department of Health and the Treasury. We hope to reach some decisions shortly, and he will be one of the first to know.

Dr Julian Lewis (New Forest East) (Con): How can a consultation process on children's heart units that includes the best unit in the country outside London, at Southampton general hospital, in only one out of four options and disregards the population of the Isle of Wight completely be anything other than fundamentally flawed?

Mr Burns: As my hon. Friend will know from the debate that we had in the House a few weeks ago, it would be inappropriate for me to comment, because I must in no way be seen to be prejudging the issue. The inquiry and consultation is independent. However, I can say to him that the inquiry is not fixed on determining only four sites if the results of its consultation suggest that there should be more. The decision rests with the inquiry.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Secretary of State will be aware that there has been a tripling of prescriptions for drugs such as Ritalin, or to give it its generic name methylphenidate hydrochloride, in the past decade. He will also know that National Institute for Health and Clinical Excellence guidelines state that those drugs should not be prescribed to children under the age of six. Why cannot his Department give a breakdown showing how many of those prescriptions are going to children under the age of six? Will he heed the call from the Association of Educational Psychologists for a review of the growth of the prescription of those powerful psycho-stimulants to very young children?

Paul Burstow: The right hon. Gentleman raises a very important point. We need to ensure that we have the right data to understand prescribing practice properly, so that we can both challenge bad practice and ensure that the NICE guidance is properly followed. I would like to look more closely at his points and then write to him in detail.

Mr David Evennett (Bexleyheath and Crayford) (Con): Will my right hon. Friend join me in congratulating advisers working for Bexley stop smoking service, who helped more than 1,600 people stop smoking last year? Does the Minister agree that helping people stop smoking should remain an important public health priority?

The Parliamentary Under-Secretary of State for Health (Anne Milton): I am happy to join my hon. Friend in congratulating those who are making efforts locally. As he will be aware, public health services will move to local authorities, and I am sure those efforts will continue.

Some 80,000 people a year die of smoking-related disease, and 320,000 young people are taking up smoking each year. We must not only help those who are smoking to stop but prevent young people from taking it up.

Kerry McCarthy (Bristol East) (Lab): The number of patients waiting more than four hours in A and E went up by 76% in the past year, which is an extra 200,000 people. I think we all know what a hellish experience waiting in A and E can be. Does the Secretary of State agree that that is a backward step, and that he ought to take steps to rectify it?

Mr Lansley: Shortly after the election we took clinical and expert advice that made it very clear that the expectation that 98% of patients should be seen within four hours was not clinically appropriate in some cases, so we relaxed the 98% limit to 95%. As it happens, I believe that according to the latest data, between 97% and 97.5% of patients are being seen in under four hours.

Jo Swinson (East Dunbartonshire) (LD): Hospital admissions for food allergy went up by 500% between 1990 and 2006, and there are 15 million hay fever sufferers, which has a real impact on productivity, so we urgently need better allergy services. When will the Government report on the pilot in the north-west of England of a new model of allergy services?

Mr Lansley: I fear that I do not know when that will be available, but I will certainly write to the hon. Lady. I have visited the allergy unit at Addenbrooke's hospital in my constituency, and I know how effective, and indeed cost-effective, such work can be in treating allergies.

Southern Cross Care Homes

3.34 pm

Emily Thornberry (Islington South and Finsbury) (Lab) *(Urgent Question)*: To ask the Secretary of State for Health if he will make a statement on the future of Southern Cross Care Homes.

The Minister of State, Department of Health (Paul Burstow): As the House will be aware, Southern Cross has been working with its landlords and lenders to agree a restructuring process to secure a viable way forward for the future. As I set out to the House on 16 June, the Government have made it clear that our overriding concern is the welfare and safety of the 31,000 residents in Southern Cross's care, and that we expect all parties to work together to secure a consensual, solvent restructuring of the business that meets their collective responsibility to secure the welfare and care of residents.

When I last updated the House on 16 June, Southern Cross, its landlords and lenders had the previous day announced an agreement to work through, over a period of four months, arrangements for a consensual, solvent restructuring. Yesterday's announcement was one step in that ongoing process, and discussions to resolve the remaining steps continue.

I know that there is concern about what yesterday's statement might mean, and that residents, families and staff are anxious to know what will happen next. Let me repeat the assurance I have given to House before: whatever the outcome, no one will find themselves homeless or without care. We will not stand by and let that happen. We will continue to work with the Association of Directors of Adult Social Services, the Local Government Association, the Care Quality Commission and others to ensure that there is an effective response to any potential disruption to the continuity of care and to ensure that all residents are indeed protected. A consensual restructuring that assures a smooth transition to new arrangements will mean that those contingency arrangements will not be needed. We all want that to happen.

Let me reassure hon. Members about some of the questions that I know they will have. First, yesterday's announcement stated that at the end of the restructuring process the Southern Cross corporate entity will cease to exist. That has no effect on the provision of care or the operation of care homes. Southern Cross remains in operation, and will continue to operate all its care homes until any transfer to new operators takes place.

Secondly, the transfer of care homes to alternative operators will be a managed process that ensures continuity of services. Yesterday's statement makes it clear that care home staff will transfer on their current terms, and that the service that residents receive should be unaffected by the transfer. All parties involved in the negotiations have given a clear commitment that the continuity of care will be paramount in that process. Local authorities are already working to ensure that they can assist in the smooth transfer of arrangements in respect of homes in their areas. The Department has been working with ADASS and the LGA to support that.

Thirdly, no transfer will take place without new operators being approved and registered by the CQC. There has been speculation that companies with no experience in the care sector will take over the running of homes, but that will not happen. Alternative operators will need to be reputable and experienced companies that can satisfy the CQC that they are capable of delivering high-quality care and of meeting all regulatory standards. The CQC will not drop its standards in ensuring that requirements are met. I understand that each of Southern Cross's landlords is settling its arrangements regarding which care home operators to work with, which is an essential part of the ongoing discussions. That will cover all landlords, so that there is a clear way forward for all homes.

Finally, I assure the House that the CQC has been working with Southern Cross landlords and other stakeholders for several months to ensure the smooth transition of services, and that it has processes to deal with re-registration, and to undertake the essential checks that are needed as a priority. It is having ongoing conversations with Southern Cross, landlords and other providers on the timing of applications.

The Government's priority is to ensure that the current problems with Southern Cross are resolved and that a sustainable way forward can be secured, but, as the Prime Minister has previously stated to the House, we must all be clear on what future action is taken and draw lessons from what has happened.

I said earlier that yesterday's statement from Southern Cross was one step in a process that will be ongoing in the coming weeks and months. Until all future arrangements are settled, Southern Cross will continue to operate and to provide care in all its homes. Only at the end of the process, when all transfer arrangements have been completed, will Southern Cross as an entity cease to exist. By then, all homes will have a clear plan for future operation, and the continuity of care will have been secured. That is the approach that the Department of Health has taken. Officials are in daily contact with all relevant parties. This Government are not sitting back; we are fully engaged.

Several hon. Members *rose—*

Mr Speaker: Order. I thank the Minister for his statement, which was very informative, but he significantly exceeded his time. I will therefore allow the shadow Minister slightly more than her two minutes so that there is equity between the two sides. I emphasise for the future, however, that answers to urgent questions must be of the prescribed length, and the same goes for questions from now on.

Emily Thornberry: I thank the Minister for his response to my urgent question. Yesterday's Southern Cross announcement that responsibility for managing 752 homes will pass back to the 80 landlords who own them has created a vacuum. I was interested to hear him say that that was part of a managed process, because it does not look like that—it has been a source of terrible uncertainty and great anxiety among residents and families. We have had so little information.

I am grateful for the information that the Minister has given today, but we need much more. Can the Government publish a list of all 80 landlords, or are the rumours correct that some of them have yet to be identified? Yesterday it was further announced that control of 250 of the homes would be handed back to

the landlords immediately. We need to know which homes they are so that people living in them know who is running their home. Many of these landlords have little or no experience of running care homes. Does he have any information on the intentions of property companies such as London and Regional homes, which owns 90 former Southern Cross homes, or Prestbury, which owns 21?

I understand that the Association of Directors of Adult Social Services is doing its best to support its members, who will have a key role in ensuring that the operating companies can provide good quality care, and also that local authorities know how to perform financial stress tests to ensure that the new businesses have sound financial models, but what assistance is the Minister giving? Does he intend to provide additional resources to hard-pressed local authorities in order to help them? What advice can he give to local authorities if, for example, the new company is an offshore company? If the Department of Health does not have the expertise to assist ADASS, will he give that organisation access to officials from the Department for Business, Innovation and Skills, who might be able to provide that assistance?

Presumably, the new operators taking control of the homes will need to be registered with the Care Quality Commission—the Minister has assured us that that will happen—but given the staff shortages at the CQC will he assure us that the registrations will be completed quickly? The House has heard him guarantee that the new operators will honour the previous terms and conditions of the 44,000 employees, but how does that square with the announcement of 3,000 job losses? Does he know how many homes are likely to close and what the timetable is for such closures? What will happen to the 50 former Southern Cross homes owned by Lloyds properties, which is in administration? What about NHP, which owns 250 former Southern Cross homes and which is at a standstill with its bondholders? These problems must be addressed. We need a home-by-home plan from the landlords, and he must give us that plan. The buck stops with him. Will he now accept his responsibilities?

Paul Burstow: My slightly-longer-than-it-should-have-been answer to the hon. Lady's question was an attempt to set out as much detail as was possible about the steps being taken to achieve a consensual, solvent restructuring of the business so that the homes can continue to operate. That is what my answer was all about. She asked about the role of the CQC, which, as I said to her, has been working for some months with the landlords to ensure a smooth process of re-registration as new operators are identified to take on the running of individual homes. I also said in response to her initial question that every home will be transferred. There is a plan in place that will lead to all homes being transferred over the next four months. She asked about engagement with BIS. Of course, as part of the ongoing work, the Department of Health is engaging with BIS to ensure that we have the very best advice in dealing with these issues. The Government have been—and remain—fully engaged with the process.

Mr Stephen Dorrell (Charnwood) (Con): For the avoidance of doubt, will my hon. Friend confirm that the Government's policy since the beginning of this saga has been motivated by a single and paramount concern—to secure the continued and orderly delivery of care to the right standards to the residents of these homes—and that, in that respect, this Government are operating unchanged precisely the policy operated by their predecessors?

Paul Burstow: My right hon. Friend is absolutely right to make that point, which allows me to make another point. The Health and Social Care Bill is currently before this House—Members are enjoying the Committee stage at this very moment—and it contains the very provisions that will allow us to put in place a regime, which currently does not exist, to ensure proper oversight and engagement with those issues from a central Government perspective. The previous Government did not leave such a regime in place, nor did they put in place the necessary tools to allow the Government to do everything that they might want to do and that the hon. Member for Islington South and Finsbury (Emily Thornberry) might like us to do.

Frank Dobson (Holborn and St Pancras) (Lab): Does the Minister accept that if any elderly people are moved out of their homes, there will be an increased incidence of death and a reduction in people's mental and physical health? What measures is he taking to ensure that as few people as possible are moved from those homes?

Paul Burstow: The right hon. Gentleman is absolutely right: we are working hard with the landlords, lenders and others to ensure that those risks are minimised, because the trauma of a hasty care home move and a forced closure leads to exactly those consequences. The Association of Directors of Adult Social Services has published new guidance for its members to manage those difficult decisions and processes and to minimise that risk as far as humanly possible.

Mr Stewart Jackson (Peterborough) (Con): This is not a time for party political point scoring. The House will have been reassured by the Minister's comments, as will the many residents of Astoria Park Southern Cross home in Park crescent, Peterborough, along with their families. The only point I would make to the Minister is that when the immediate crisis has been resolved, there should be a mechanism to work with key stakeholders such as the Care Quality Commission to understand the lessons of the flawed business model that Southern Cross pursued.

Paul Burstow: My hon. Friend is absolutely right, and that is indeed one of the many issues we need to consider as we proceed towards publishing a White Paper next year on social care reform. We have to ask questions about the regulatory framework that existed when that business model was established. We also need to ensure that we have the necessary tools to deal with large care home providers of this sort, where an individual local authority might be unable to cope with the consequences. Those are the issues that we are working with and that we shall continue to work with.

Glenda Jackson (Hampstead and Kilburn) (Lab): The Minister gave a list of consultations and apparently daily meetings of his officials with care home providers and landlords. The one group that was markedly lacking

[Glenda Jackson]

in the process was the residents of the homes and their families. When will they be included in this process? Who will be responsible for informing them of the timeline if there have to be moves, and will they be in a position to object strongly if, for example, an elderly person does not wish to be moved from the home in which they are resident? Who is responsible for informing those people?

Paul Burstow: The first thing to say is that everything I have set out for the House today is about minimising the numbers of closures and moves. It is about ensuring continuity of care and continuing care in existing care homes. However, having said that, I made the point in response to her right hon. Friend the Member for Holborn and St Pancras (Frank Dobson) that there is new guidance for local authorities on how they engage with the residents of care homes and their families, and it is the responsibility of local authorities to do just that.

Andrew Percy (Brigg and Goole) (Con): Were it not for my two county councils, information about the two homes in my constituency—Windsor Court in Goole and St Mary's in Scunthorpe—would not have been forthcoming at all. Given that it has also taken me several weeks to try—unsuccessfully—to get Southern Cross to allow me even to visit their homes, can the Minister give me an assurance that he will do everything he can to ensure that we are given home-specific information as quickly as possible? If such information is not being made available to Members of Parliament, it is probably not being made available to residents or their families.

Paul Burstow: Yes, and I gladly undertake to ensure that if further information needs to be shared during the summer recess, hon. Members in all parts of the House will receive it in a timely fashion, so that they can address their constituents' concerns.

Hywel Williams (Arfon) (PC): There are 1,772 people in 35 Southern Cross homes in Wales, but I did not hear the Minister refer to them at all in his answer. Where does the buck stop, as far as they are concerned? Is it with Welsh local authorities, with the Welsh Government, or with him, even though this matter is devolved?

Paul Burstow: I have had, and continue to have, contacts with the Ministers responsible for policy in this area in the devolved Administrations, but the legal responsibility for continuity of care from the point of view of the public purse rests with the local authorities. That is where the legal powers sit, and it is where the legal responsibility has to be placed. We are working with the Local Government Association and others to ensure that the local authorities are able to put contingency plans in place.

Ben Gummer (Ipswich) (Con): Lombardy Park in my constituency provides residential care for extremely vulnerable young adults with severe learning difficulties. They, and especially their parents and families, are extremely concerned about what is going on. What reassurance can the Minister give them that those residents will be protected and looked after?

Paul Burstow: I understand entirely the point that my hon. Friend and other hon. Members are making on behalf of their constituents. The nature of the reporting of the announcement yesterday, and other announcements before it, is a source of worry for residents, staff and families. I hope that today's statement will go some way towards giving them some reassurance. Equally, it will not help the successful, solvent restructuring of the business, which will provide that continuity of care, if we have an endless commentary on it. What is important is that the necessary actions are taken, and they are being taken.

Vernon Coaker (Gedling) (Lab): Does not the Minister understand that it is not endless commentary that we want from him but some reassurance for residents in these homes? Also, it is not continuity of care that they want, but continuity of the place in which they live. These are not just residential homes; they are places where people live, and they form a valuable part of the community. What reassurance can the Minister give us that this is not only about continuity of care for those people but about their having continuity of residence in the home they live in?

Paul Burstow: The hon. Gentleman is absolutely right; this is about people's homes and their futures. That is why the Government have been working to make it abundantly clear to all those involved in the process what their responsibilities are, and what the local authorities' responsibilities are. We have also made it abundantly clear that in no circumstances will the Government do anything other than ensure the future continuity of care for people. No one will be made homeless, and no one will wind up without the care and support they need.

Greg Mulholland (Leeds North West) (LD): Considering the real concern in areas around the country, including Leeds, and the clear duty of local authorities in this role, does the Minister agree that it is inappropriate and irresponsible for councils such as Leeds city council to pursue a raft of closures in their own care homes while this problem clearly exists?

Paul Burstow: My hon. Friend tempts me to comment on an individual local authority's decisions, the details of which I do not have. It seems to me that that is an area that the council in question will have to look at carefully. The key thing has to be that local authorities are responsible for looking at the availability of good-quality care home placements in their area and to supply individuals who are funded by the local authority and who need a decent care home with just that.

Dame Anne Begg (Aberdeen South) (Lab): I have nine Southern Cross homes in my constituency, and they are sitting on some very expensive real estate. The problem for Southern Cross was that its rents were too high. What negotiations has the Minister undertaken with the landlords to ensure that that problem does not continue and beset the new operators who we hope will take over the running of those facilities?

Paul Burstow: I do not know the particulars of the homes to which the hon. Lady refers, but if she would like to write to me with more details, I will certainly look at that matter. Many of the homes that Southern

Cross owns have been specifically built and designed to provide residential care for older people, and there is therefore no other purpose for which they could usefully be converted—*[Interruption.]* Opposition Members might chunter about that, but that is why a consensual, solvent restructuring is now the best and most likely outcome of the process.

Mr Robert Buckland (South Swindon) (Con): The residents, staff and families of the King's Court home in my constituency will be encouraged by what they have heard today, but will my hon. Friend write to me with all the relevant information about the key issues of continuity and quality of care provision at King's Court?

Paul Burstow: My hon. Friend is right to bring to my attention, and that of the House, the concerns of his constituents. I certainly hope that the statement I was able to make today is of some reassurance, along with the commitment I made to continue to keep both the House and individual hon. Members informed as this matter goes forward.

Nick Smith (Blaenau Gwent) (Lab): This is the second time this month that this Minister has been dragged to the Dispatch Box to answer urgent questions about Southern Cross. The Government need to get a grip. May we have a ministerial taskforce from across Government to manage and monitor the transfer of homes to landlords? We need to ensure stability and give peace of mind to Southern Cross residents and their relatives.

Paul Burstow: I note that the hon. Gentleman seems to be a bit like a stuck record, repeating the point that he made last time. The reality is that the Government are taking the necessary steps, are exercising their responsibilities correctly and are making others responsible and accountable for discharging their legal responsibilities as well. What the hon. Gentleman left out from his question was any suggestion of what specific powers his Government put in place that would have allowed us to deal with this issue. There are no such powers.

Glyn Davies (Montgomeryshire) (Con): Does the Minister feel that there would be value in considering the financial regulation of care homes and the care home sector so that this sort of situation does not occur again in future?

Paul Burstow: My hon. Friend is absolutely right. I hope that we can learn the necessary lessons about what regulation should exist at the national level and what powers are in place for regulators to intervene in these circumstances. The reality is that the regulatory powers that this Government inherited from the previous Government are next to non-existent. That is one reason why hon. Members have been able to drag Ministers to account, as has been said, before the House. What we have said as a result is that as we work to produce the White Paper, we will address these issues to make sure that we have a system in place.

Mr Dennis Skinner (Bolsover) (Lab): Another day, another Tory disaster. We have frail, elderly men and women who do not even know what day it is, yet this Minister, because he is so obsessed with the private sector, fails to tell us that he is going to restore the cuts to local authorities that would enable them to handle the crisis.

Paul Burstow: I thank the hon. Gentleman for his comments. He should just reflect on the fact that this company and this business model were established during the 13 years when his party was in office, and on the fact that his party did not put in place the necessary regulatory measures that would have allowed anything other than the very measured approach that this Government are taking— working with the lenders and the landlords to ensure a consensual restructuring of this business. That is what the residents of these homes want, and this is what we are doing to make it happen.

James Morris (Halesowen and Rowley Regis) (Con): I recently visited Roxburgh House in Cradley Heath in my constituency, where a number of vulnerable elderly residents are concerned about their future. Does the Minister agree that we need not only to address the continuity of care in those homes now, as he has described, but seriously to review the situation, once this crisis has been managed, to make sure that it does not happen again? Will he outline the steps he will take to ensure that that happens?

Paul Burstow: I am grateful to my hon. Friend. That is exactly what we also need to work on, which is why we are providing in the Health and Social Care Bill the necessary powers for regulations to be made that would allow such a regulatory approach to be developed. During consideration of those ideas in Committee, it was far from clear whether the Opposition believed that this was a worthwhile approach to adopt.

Mrs Madeleine Moon (Bridgend) (Lab): Before entering this House, I was a care standards inspector in Wales. Part of the problem is the fact that we are not willing to pay properly for the appropriate registration and inspection of care homes. One thing that worried me about the Minister's statement was when he said that the registration of the new management bodies for these homes would be completed quickly. It should not be "quick" registration; it should be thorough and effective registration. May we have an assurance that the registration will indeed be thorough and effective? Secondly, may we have an assurance that the care standards inspectors will not be diverted from carrying on the ongoing inspection of other homes, and thus protecting other frail and vulnerable adults in care homes around the country?

Paul Burstow: I said in response to the original question that there would be no relaxation of the standards when it came to the registration of new homes, and that there would be no rush but a smooth transition to the running of the businesses by new operators. There was no suggestion that the process would take place in a rushed way. I urge the hon. Lady to read the record later.

As for the role of the CQC, we made it clear last year that we would allow it to recruit the necessary staff, and that there would be no limit to its ability to recruit staff whom it felt that it needed in order to do its job.

Andrew George (St Ives) (LD): What other lessons have the Government learned from this case? The new regulatory measures in the Health and Social Care Bill

[Andrew George]

are welcome, but if greater proportions of both health and social care are being exposed to this level of speculative capital, do the Government not need to reflect on whether further measures are required?

Paul Burstow: I am keen not to start leaping to lots of conclusions. About 77% of all social care provision in England is already in the private sector. This is not an experiment, but a fact of life that has evolved over the last 20 and 30 years and has been overseen by Administrations of all colours. What we do need to do is ensure that we have effective, proportionate regulation that safeguards the interests of residents who see these homes as their homes, along with robust arrangements on the ground to safeguard good quality.

John Mann (Bassetlaw) (Lab): Can the Minister confirm that elderly people could now be forced out of the homes in which they have lived for years and be stuck in homes that are inferior, or are situated many miles from where they live?

Paul Burstow: I believe that the hon. Gentleman has been in the House for a considerable time. He will know that the secret that he appears to be sharing with the House, and with others who are following our proceedings, is not something totally new. He knows that care homes close already, and he knows that, as a consequence, people do face such terrible circumstances. That is why the Government, working with ADASS, have ensured that the necessary arrangements and good practice advice are in place, which is something that his party did not do.

Alison McGovern (Wirral South) (Lab): Residents of Bebington and the rest of the Wirral are extremely concerned about the Southern Cross experience. Will the Minister say more about the specific lessons that we need to learn from it, given the Prime Minister's announcement yesterday about the wider opening up of public service delivery?

Paul Burstow: As I said to my hon. Friend the Member for St Ives (Andrew George), 77% of adult social care is already in the private sector, and as we said in "A vision for adult social care", we want a more vibrant, diverse market which includes voluntary sector providers. We want to examine the role of regulation, to ensure that it assists with the management of that market and, fundamentally, to ensure that it protects the rights and best interests of those who use these services.

Mark Durkan (Foyle) (SDLP): Will the Minister assure me that consultation with the devolved authorities will take account of the different mix of landlords and lenders there? On a wider issue, will he assure the House that the undertakings he has given in respect of older residents will apply, at least equally, to much younger residents who are receiving bespoke care packages for conditions such as acquired brain injuries, often on a different contractual basis and outside the normal Southern Cross business model? Will such people be fully taken care of?

Paul Burstow: I am grateful to the hon. Gentleman for his question, which allows me to deal with an earlier question on the same subject. The answer is absolutely yes. The continuity of care will be not just for the benefit of older residents of care homes, but for the benefit of any individual who relies on the services provided by the company.

John McDonnell (Hayes and Harlington) (Lab): I have been raising concerns about the management of Southern Cross in the House since 2007, in early-day motions and Adjournment debates. Despite assurances from the Care Quality Commission and from the company itself, the system resulted in neglect and abuse in my borough, which, at one point, suspended all placements in Southern Cross homes. I therefore view with some scepticism the assurances given today by the commission and participants in the company. Will the Minister be able to empower local authorities to take control of homes if they are threatened with closure and residents may be forcibly moved?

Paul Burstow: The hon. Gentleman has been raising those concerns in the way that he has, and I will certainly look at the points he has raised in the past. Local authorities have certain statutory powers in respect of their ability to respond to the closure of a care home by managing and resourcing that. We have been, and continue to be, in discussion with local authorities on that, so that they are able to respond in the event of a closure. I return to my key point, however, and the key reassurance we have not only from the company, but from the landlords: this is a solvent restructuring of the business, so that the care homes continue to operate and to provide homes for their residents.

Barry Gardiner (Brent North) (Lab): It is not only the residents of the Birchwood Grange and Coplands homes in my constituency who are concerned about their future; so, too, are the people who work in those homes. Can the Minister guarantee that the new operators will honour the terms and conditions of those workers, so that they can see that their future is also secure?

Paul Burstow: There is an undertaking that the TUPE regulations would apply: there would be a transfer on the current conditions. That is what all the staff have been told, and I am certainly happy to repeat the undertakings that have been given by those responsible for those undertakings.

Jack Dromey (Birmingham, Erdington) (Lab): Shameful speculation brought Southern Cross to its knees, but local authorities will now have a key role to play in rescuing the homes of 31,000 people in a year when, according to Age UK, the social care budget is being cut by 8.4%. What discussions has the Minister had with the Department for Communities and Local Government, because it cannot be right to ask local authorities to accept public responsibility for a private failure and to deny them the necessary resources?

Paul Burstow: As I have made clear, given the current stage of the announcements on this solvent restructuring, we appear to be in a position where the scenario the hon. Gentleman asks about will not come to pass.

Barbara Keeley (Worsley and Eccles South) (Lab): There are more than 300 residents in seven Southern Cross care homes in Salford, and their quality of life is

our primary consideration. What assurance can the Minister give to those residents and their families that future providers will not play for short-term profit, but will truly consider their quality of life? Reassurances will not mean much if a new provider gets into the same business model and same way of carrying on as Southern Cross.

Paul Burstow: The hon. Lady is right. As we move forward and achieve a successful conclusion to this process, we must put in place the necessary measures to ensure that this cannot happen again. We must take a critical look at the regulatory environment in which this particular business model was allowed to grow—a business model that thrived during a boom, but that was predicated on the assumption that there would never again be a bust. There was a bust however, and that is why the company is in this mess.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): The great majority of these homes were given landlords, but the one in my constituency was owned by Southern Cross and the title deeds have been passed to the bank. I have no confidence in the banks doing anything else but selling such deeds for the maximum profit. Does the Minister agree?

Paul Burstow: I would reassure the hon. Gentleman on that point by repeating that we are engaged with not only the landlords, but the lenders too, about all their responsibilities on the fundamental issue of the welfare of the residents of these care homes. We continue to make that point. That is the legal obligation that local authorities have to honour, and we are working with all those parties to make sure that that is what happens.

Lindsay Roy (Glenrothes) (Lab): There are four Southern Cross care homes in my constituency. Does the Minister agree that in terms of care provision people should be treated first as people, not as sources of potential profit?

Paul Burstow: Yes.

Grahame M. Morris (Easington) (Lab): There seems to be a measure of agreement among Members on both sides of the House about the need for proper regulation, oversight and management of these homes. Will the Minister therefore take the opportunity to dissociate himself from the remarks made and position adopted by the Minister of State, Department of Health, the right hon. Member for Chelmsford (Mr Burns) on 7 January 2004? He moved an Opposition motion deploring the then Labour Government's

"over-prescriptive, expensive and bureaucratic regulation of the care home sector"—[*Official Report*, 7 January 2004; Vol. 416, c. 324.]

That statement is reminiscent of the neanderthal, neo-Conservative approach adopted by his right hon. Friend the Chancellor in his remarks on deregulating the banking sector.

Paul Burstow: I am going to stay focused on the welfare and interests of the residents of these homes, and we will have those political debates on another occasion.

Mr Pat McFadden (Wolverhampton South East) (Lab): Just a few weeks ago, I visited Bellevue Court, a home run by Southern Cross in my constituency, where I was told that the home would stay part of the restructured Southern Cross group and that there would be no redundancies. We now find that there is to be no restructured Southern Cross group, so does the Minister understand the scepticism that will be felt by families and staff involved in Southern Cross if the guarantees given a month ago did not last the month?

Paul Burstow: What we have is a process that is working towards that solvent restructuring of the business to ensure that each home is able to be taken over by an operator or a group of operators so that good-quality care can continue to be provided for the people who live there. That is what this process involving the landlords, the lenders and Southern Cross is all about. What we know from the statement made by the company yesterday is that it has given an undertaking for the TUPE transfer of the staff. We also know that the company will be working over the next four months to ensure that smooth transition. As my statement said, the public authorities—the Care Quality Commission and the local authorities—are working with the company to ensure that that happens.

Mr Jim Cunningham (Coventry South) (Lab): The Minister knows as well as I do that local authorities may have a legal obligation to intervene in this situation but they cannot do that without Government assistance with the resources. It is no good the Minister blaming a previous Labour Government or local authorities; he is passing the buck to local authorities. I thought that Pontius Pilate died 2,000 years ago, but we have just seen his resurrection.

Paul Burstow: What I would say to the hon. Gentleman is that there is not a question of funding these homes, because they are not insolvent. The business is not going into administration—it is going through a restructuring—so there is no request for funds and there is no need for those funds in order for local authorities to be able to carry out their current legal duties.

Ann Clwyd (Cynon Valley) (Lab): I do not know whether the Minister heard the excellent Radio 4 programme "You and Yours" earlier this week, which included a long discussion on care homes and care in the community. The programme gave the impression that more care home problems are in the pipeline and that we are dealing with Southern Cross today, but several others are in a similar situation. Can he give us any assurances on that point? Will he also examine care provision in the community, because many care companies also provide that service to local authorities and it would be an absolute catastrophe if the same thing were to happen to care in the community?

Paul Burstow: It is for those very reasons that this Government last year set out a vision of reform of social care based on greater personal control and personalisation of the services that people need to sustain them in the community. It is also why we have committed to produce a White Paper that will focus on issues of quality and regulation, and that will bring together the other issues associated with how we reform

[Paul Burstow]

the laws in this country, which have evolved in a piecemeal fashion over the past 60 years and which make the system opaque and hard to navigate. Those are the commitments that we have entered into and will continue to prosecute.

Gordon Banks (Ochil and South Perthshire) (Lab): The Minister talks about every home being taken over, but it is obvious from his earlier remarks that he expects closures. That is a worry for me, given the two care homes in Tullibody and Crieff in my constituency. Just how many closures are acceptable to him?

Paul Burstow: Closures in their constituency are of concern to any hon. Member, and I suspect that that is why we have made it clear that we have been working with the Association of Directors of Adult Social Services. I am not going to come up with an arbitrary threshold below or above which something is good or bad; we need to focus on the needs of the individuals, which is why I have made it clear, in response to some of the hon. Gentleman's colleagues, that we now have best practice advice on how such closures are to be managed. That did not exist, and was never drafted, under the previous Government.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Minister said that he had been in discussions with the devolved Administrations, as I would expect him to be. What assurances can he give the House based on those discussions for residents in constituencies in Scotland, Wales and Northern Ireland about their future under the plans he has announced today?

Paul Burstow: The approach is one that I have rehearsed quite clearly today before the House. We as a Department continue to work closely with the devolved Administrations, sharing information about our contact at a national level with the landlords as a landlord committee as well as with individual landlords. If the hon. Gentleman has specific concerns about Scotland, he should contact the Scottish Government, too.

Tony Lloyd (Manchester Central) (Lab): My local authority does not know who the successor landlords are in some of the cases in Manchester. The people I represent do not know who their landlords will be. This most complacent of Ministers ought to be able to come to the House and tell us the answer to this question: does he guarantee that every one of these offshore financial companies will agree to take over the running of these homes? That is what my constituents need to know.

Paul Burstow: What I have told the House is that the process in hand, following the statement made yesterday by Southern Cross, will ensure a smooth transition of every home to a new operator over the next four months.

Bill Esterson (Sefton Central) (Lab): This will be of great concern to many people who live and work in homes that are not run by Southern Cross. Many other people will be affected. The Minister has spoken about regulation and care home standards. Will he bring forward proposals to consider the business regulation, and can he tell us when he will do that? That is the way to provide reassurance and security for many people who live and work in homes other than the 31,000 in Southern Cross.

Paul Burstow: My right hon. Friend the Secretary of State for Business, Innovation and Skills has already made statements and commitments about looking at the business model and at why it was thought to be appropriate for this sector.

Roberta Blackman-Woods (City of Durham) (Lab): I met my local authority a few weeks ago to discuss the Southern Cross situation and it was obvious that it was not totally prepared for the complete withdrawal of Southern Cross from the social care market. Will the Minister tell the House whether he has issued or intends to issue guidance to local authorities on how to deal with this situation?

Paul Burstow: It is not a question of trying to write guidance in Whitehall. This is about our engagement with the Association of Directors of Adult Social Services about how directors discharge their statutory responsibilities. Writing guidance does not deal with the immediate changes. We need to ensure that local authorities' existing legal obligations to ensure continuity of care are properly exercised.

Chris Leslie (Nottingham East) (Lab/Co-op): Is it not obvious that if the Government are implementing swingeing cuts in the money they give to local authorities, they in turn will give less money to the care homes, and that this is only the beginning of a set of care home closures that could be catastrophic? Does the Minister seriously believe he can wash his hands of all responsibility?

Paul Burstow: In the spending review last year, the Government took our responsibilities very seriously. As a result, we identified and agreed that by 2014-15 an additional £2 billion would go into social care to support those budgets. We know from the work that has been done by others that with efficiency savings, such as those I was talking about earlier as regards reablement and telecare, that resources are sufficient to sustain the system while we do the necessary work to reform it.

Andrew Gwynne (Denton and Reddish) (Lab): There are nine Southern Cross homes across Tameside and Stockport and still more in adjacent Manchester. Although some good work might be being done at an individual district level, I am not convinced that much contingency planning is being done across city regions such as Greater Manchester. What encouragement and, more importantly, financial assistance, can the Minister give local authorities to ensure that there is cross-city regional co-operation so that residents are certain of keeping their homes?

Paul Burstow: It really is not a question of financial assistance; it is about the co-ordination of the Association of Directors of Adult Social Services and the Department's regional directors of social care, who are working with those colleagues at local authority level, and about making sure that they are co-ordinating their activity with the Care Quality Commission. All those things are happening, have been happening and will continue to

happen to ensure that we do what the Government are committed to doing—ensuring continuity of care and that people can stay in the homes they are currently in with the knowledge that the Government really are committed to making sure that they have no doubt that they are not going to be thrown out on the streets as a consequence of this business's restructuring.

Mr Speaker: I am grateful to the Minister of State and to colleagues.

Electricity Market Reform

4.20 pm

The Secretary of State for Energy and Climate Change (Chris Huhne): With permission, Mr Speaker, I would like to make a statement on reform of the electricity market. Since privatisation in 1990, our electricity market has served us well, delivering reliable, affordable electricity, but in the years ahead we face unprecedented challenges, which the existing market was not designed to meet. Over the next decade, around a quarter of our existing power stations will close, threatening the security of our electricity supplies. Some £110 billion of investment is needed to replace those plants and to upgrade the grid. That is twice the rate of investment of the last decade and the equivalent of 20 new power stations. At the same time, demand for electricity could double over the next 40 years as the population increases and as we increasingly turn to electricity for heat and transport. We also face ambitious carbon emissions and renewable energy targets as we seek to build a cleaner energy future for Britain and for the world. To achieve our goals, we need to take decisive action now to increase low-carbon electricity generation, including nuclear and renewable energy as well as carbon capture and storage.

None of these challenges can be met for free. We will have to pay to secure reliable, clean electricity for the future and we cannot ignore the long-term trends in electricity prices. Increases in wholesale costs and the carbon price are likely to lead to higher bills in future, even without factoring in the huge investment in new infrastructure that is needed. It is vital that we put in place market arrangements that deliver this investment as cost-effectively as possible. The current electricity market simply is not up to the job and cannot deliver investment at the scale and pace we need. Without reform, our reserve capacity—the power plants we can call on when demand surges—will fall to uncomfortable levels. We would face a much higher risk of black-outs by the end of this decade and we would also be locked into a worrying reliance on fossil fuel imports, putting us at risk of rising and volatile prices. Consumers could end up paying more.

That is why I am putting before the House today a series of measures to reform the electricity market, diversifying our generation mix and boosting investment in secure, sustainable and home-grown low-carbon technologies. There are five key elements to our reforms. First, the Chancellor announced in the Budget a new carbon price floor to put a fairer price on carbon, thereby reducing uncertainty for investors and providing a stronger incentive to invest in low-carbon generation now.

Secondly, we will send a clearer message that low-carbon electricity is a key part of our future energy mix. We will introduce a new system of long-term contracts to remove uncertainty for investors and consumers and to make low-carbon energy more attractive. Contracts for difference will be introduced for all forms of low-carbon generation, lowering the cost of capital and allowing clean technologies with high up-front and low long-run costs to compete fairly against traditional unabated fossil fuels. This will build on the carbon price floor, providing the additional clarity and certainty that investors need.

[Chris Huhne]

Thirdly, we will introduce an emissions performance standard to send a clear regulatory signal about the amount of carbon that new fossil-fuel power stations can emit. This will reinforce the requirement that no new coal-fired power stations are built without carbon capture and storage, while ensuring that vital investment in gas can take place. Carbon capture and storage is a key part of our plan to decarbonise electricity generation. It is the only technology that can potentially reduce emissions from fossil fuel-fired power stations by as much as 90%.

Fourthly, to ensure security of supply in the future, we will introduce a new contracting framework for capacity, changing the way we secure our back-up electricity. That capacity mechanism could mean centrally procuring capacity that is set aside from the market and used only when needed, or it could mean a market-wide mechanism, in which all providers offering reliable capacity are rewarded. Under both options, we plan to ensure fair and equivalent treatment between all the different ways of accomplishing what we seek—demand response, storage, interconnection with our European partners, and extra generation. Shifting or cutting demand for electricity is likely to be more cost-effective than simply building more and more power plants, and complements our work to drive down demand through energy efficiency measures such as the green deal and smart meters. Fifthly, we will put in place transitional arrangements to ensure that there is no hiatus in investment while the new system is set up, and we will create new institutional arrangements to deliver the reform package.

Together, the reforms will tackle the immense challenges facing the electricity market. They will put in place the framework to deliver the capacity and demand-side response that we need to guarantee future security of supply. They will encourage investment in proven low-carbon generation technologies, and will give investors confidence that there will be a market for electricity generated with commercial carbon capture and storage—confidence that will drive investment in both demonstration and commercial CCS plants.

Six energy companies supply around 99% of customers in the UK. Alongside action by Ofgem to improve liquidity, the reforms will boost competition within the market. They will make the UK a magnet for low-carbon investment, generating jobs and growth. That will help energy-intensive industries. However, we are also committed to bringing forward a package of measures to ensure our continued international competitiveness.

The reforms will achieve our aims at least cost to the consumer, with bills for households and businesses likely to be lower and less volatile over the period to 2030 than if we had left the market as it is. They will enable us to build a flexible, responsive electricity system, powered by a diverse and secure range of low-carbon sources, en route to a cleaner, greener future. The reforms insure us against fossil fuel price shocks, end 25 years of policy dithering, and will keep the lights on, and bills down.

Alongside the electricity market reforms, I am also publishing today the renewables road map. For too long, discussion about renewable energy has focused on barriers. Now, for the first time, we have set out a detailed, step-by-step plan to overcome those obstacles. The road map sets out a comprehensive action plan to accelerate the UK's deployment and use of renewable energy. It puts us on the path to increase our renewable energy consumption fourfold by 2020 while driving down the cost over time. Growth on that kind of scale will be challenging, but necessary.

The road map identifies eight technologies that have the greatest potential for the UK, such as offshore wind, where we have abundant natural resources and already have the world's largest market. Subject to further value-for-money assessment, the Department is setting aside up to £30 million over the next four years to support technology development programmes to improve the efficiency and reduce the costs of offshore wind. With industry, we are setting up a taskforce to drive the work to achieve cost-competitive offshore wind. The recently published microgeneration strategy also outlines the actions that the Government are taking to tackle the non-financial barriers that could prevent microgeneration from realising its full potential. Together, the renewables road map and the microgeneration strategy, which has already been published, will reduce costs for consumers, and enable mature renewables to compete against other low-carbon technologies in the longer term.

I am also publishing today the final report of the Ofgem review. The review reaffirms the Government's commitment to a strong, independent regulator, able to give confidence to investors, protect consumers and help meet our energy and climate targets. The summary of conclusions was published in May; the final report provides further detail on how the Government will seek to strengthen the regulatory framework.

The package of reforms that I have announced today will yield the biggest transformation of the market since privatisation. They will create an enduring framework for future investment, and will secure our electricity supplies for the future, providing our consumers with the best deal possible, helping us meet our ambitious carbon targets, and putting us at the forefront of low-carbon technological development, ready to lead the world in the next energy revolution. I commend this statement to the House.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I thank the Secretary of State for advance sight of his statement. We are pleased that he agrees with his predecessor, my right hon. Friend the Member for Doncaster North (Edward Miliband), about the need for reform. The Government have already sent some signals about the future shape of the UK energy market.

The Secretary of State should be congratulated on standing up to the fuzzier elements of his party with his U-turn on nuclear, which he no longer happily describes as a "failed technology" but says is an essential part of the UK's getting off the "oil hook". The Government's eventual acceptance of the recommendation of the Committee on Climate Change in its fourth carbon budget was largely welcomed by most people, even if his colleague the Business Secretary was described as "squirming in his seat like a schoolboy" at the Cabinet meeting which discussed it.

However, the Government have failed to deliver on many fronts since the Secretary of State for Energy and Climate Change took office. Recent ill-judged Government intervention in the energy market has already led to a hiatus in energy investment and uncertainty across all

sectors. The solar feed-in tariffs fiasco destabilised the solar sector and sent shockwaves through other renewable sectors. Companies, including RWE, are considering pulling out of the UK because of the uncertainty caused by the Government in the investment landscape. That was underlined by the Pew Environment Group's report, which showed that the UK dropped from fifth to 13th in a global ranking of countries for green investment. We have seen a green investment bank failing to deliver the necessary investment now and being criticised by the CBI director general, John Cridland, who warned that the bank

"certainly won't work if it needs the Treasury's permission to blow its nose."

There is a question mark over whether the Secretary of State's proposals will deliver. The track record is not good. We believe that the Government must meet some key tests if reform is to work. A new market needs to be greener and to create certainty for industry, room for innovation in emerging energy solutions, and crucially, a good deal for consumers both as users of energy and as taxpayers, and it must deliver the necessary investment in the UK energy sector for security of supply.

In the White Paper, we have a mixed bag of measures. There is an emissions performance standard—a policy that the Energy and Climate Change Committee considers, at the level set,

"would have no material impact and is therefore pointless."

I could say rather uncharitably that that sounds a little like a summary of Government green policy. Certainly, it is not popular, and already industry is puzzled about exactly what it will achieve. If we are to have an emissions performance standard, the Secretary of State needs to explain to us why it is any more than green window dressing. How will the transition to carbon capture and storage be accommodated within this measure, when we are still awaiting not only the sign-off on project 1, but the future Treasury and European funding for projects 2, 3 and 4?

The proposals also include a carbon floor price, although we knew about that because it was announced in the Budget independently of these proposals—a running theme for the Department, which most of the time seems to be run by remote control from 11 Downing street. The Department has only just woken up to the impact that this tax grab on industry and its potential to export businesses and their emissions overseas will have on the UK industrial landscape. Better late than never, but it is catch-up.

Two measures are being consulted on. A contract for difference will pump public money into supporting more expensive energy production—a mechanism which we hear from the Secretary of State will encourage other users into the market, but with such complex administration, we worry, as do many businesses, that small suppliers and new investors will struggle to keep up. We also see proposals for a capacity mechanism and energy auctions, the devil of which will be in the detail. The right hon. Gentleman should expand on which technologies will deliver most benefit, what the costs to the UK will be, how the consumer will afford it, and how we will avoid expensive stranded assets in a new dash for gas.

Investors need confidence, certainty and clarity. The White Paper could help, or it could herald an era of overly complex and overlapping measures, paid for by the taxpayer, that will lead to higher than necessary energy bills. Customers are currently getting a raw deal, so any change must support the consumer. The existing big six energy companies will undoubtedly need to provide in this era of new energy generation, but we need to free up the suffocating oligopoly that stifles real competition from new energy investors. The prize is driving down the cost of new energy generation and prices and increasing real choice for consumers. The Secretary of State, who has been insouciant in the face of rising energy bills, should stop worrying so much about his next meeting with the big six chief executives and start worrying a bit more about the consumer.

Will the Secretary of State please tell us exactly when the legislation will come before Parliament and when he expects the reforms to be implemented? We already have the delayed Energy Bill circling Parliament and a renewables road map announced today: he cannot keep stacking up policies like waiting aircraft. I am pleased that he is convening a group to look at decentralised energy, but can he give us more details on that? So far his Department has been rolled over by the Treasury at every turn, so could he tell us what these changes will cost the taxpayer and what he is doing to protect the public from unreasonable price rises? How will the Government decide when to conduct energy auctions, and how will he ensure that all players will be able to bid in order to reach this new dream world he talks of? Apart from the now delayed green deal, what is his strategy for reducing energy demand?

Mr Speaker: Order. I am sure that the shadow Secretary of State is bringing her remarks to a close, because she has exceeded her time.

Meg Hillier: We cannot afford the dithering, delay and postponement that has characterised Government policy so far. We want to support and work with the Government to achieve these outcomes, but we need answers on those points from the Secretary of State.

Chris Huhne: We are certainly having to play catch-up—I make no bones about it—because after 13 years of Labour Government we inherited a situation in which the UK was ranked 25th out of the 27 European Union member states on installed renewables. The hon. Lady talks about the speed and dynamism exhibited by the Opposition when they were in government, but not a single new nuclear power station has been consented to since 1986, so the reality is that the track record of which she boasts is entirely mythological, like some Grecian beast seen far off in the mists that suddenly vanishes.

We are confident that there will be enormous benefits for small suppliers as a result of these changes, because it is precisely the long-term contracts that will encourage new entrants into the market and ensure that they have certainty about price, which they cannot rely on if they do no understand the market as well as the big six. That will make our market more competitive, which is a fundamental way of ensuring that we get a better deal for the consumer in the long run.

The hon. Lady asked which technologies will benefit more. We are not attempting to pick winners, unlike the Opposition, evidently. We want a level playing field for all low-carbon technologies, because we recognise the

[Chris Huhne]

genuine uncertainties about the development of such technologies. As we learn more about which technologies will be the most effective and have the lowest cost, we will invest more in the winners, and that will be discovered through normal market processes.

When it comes to consumers, we have been clear about the need to reduce the complexity of tariffs and insist that every energy bill shows the lowest tariff available from the supplier, and we have had a clear review of the retail market from Ofgem. We want greater competition and are encouraging new entrants through all these means, in addition to the support of a 67% increase in the social discount budget, compared with the money set aside under voluntary agreements by the previous Labour Government. We are helping in particular those who most need help with their energy bills, because they are the most vulnerable, and Government Members can be proud of that.

New legislation will be introduced at the beginning of the next Session, in May 2012. The working group on decentralised energy will attempt to tackle all the different barriers to decentralised energy, ensuring that it is able to play its full part in diversifying our supply. The key to auctioning, which I very much want us to adopt, is that there should be greater certainty about costs so that those who are participating in the auction are able not only to see that they have a reasonable chance of winning but to identify their costs.

The hon. Lady asked what measures we are taking on the reduction of energy demand. The most significant of those is the pioneering measure in the Energy Bill—the green deal. We are the first of any of the leading G20 countries to introduce this measure, which we continue to maintain is on course for launch in October 2012, when it will be a roaring success.

Several hon. Members *rose—*

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye, but there is heavy pressure on time and I must therefore appeal for single, short questions without preamble and for comparably pithy replies from the Secretary of State.

Mr Tim Yeo (South Suffolk) (Con): As the task of attracting huge amounts of new investment into new low-carbon electricity generating capacity is extremely urgent, can the Secretary of State assure us that the passage of the necessary legislation will be a top priority for the Government in the next Session? Will he ensure that as much clarity as possible about the levels and manner of operation of the feed-in tariffs, with contracts for difference, will be available as soon as possible to reassure investors that it is a new, stable and predictable regime?

Chris Huhne: I assure the hon. Gentleman that the Government are extremely seized of the urgency of getting the legislation through during the second Session and of issuing the contracts, so that they will be on course and we are able—I hope—to issue the first contracts in 2013.

Malcolm Wicks (Croydon North) (Lab): I will put to one side a Liberal Democrat Secretary of State attacking the Labour Government for being slow to build nuclear reactors, which shows a capacity for humour that I admire. Do the Secretary of State and the Department now have contractual details from our gas supply companies, which used not to be the case? That would, first, enable him to assure himself about the security of supply, not least given that we often buy gas on the spot market or in the short term, and secondly, enable his Department to scrutinise those contracts to make sure that when companies increase gas prices they are doing so in ways that are fair to the customer.

Chris Huhne: The right hon. Gentleman makes a very good point; he is expert in this area. The Energy Bill, which we hope will achieve Royal Assent in the autumn when we come back from the recess, contains provisions that ensure that we are able to be informed about these measures and ensure greater security of supply. He will have read in the press about long-term arrangements being contracted, for example, between Centrica and the state of Qatar. We have a number of these longer-term arrangements. Security of supply is important in physical terms, and we also think about it in price terms. The 30% increase in gas prices over the past year has been a significant shock to a number of consumers. One of the reasons we want to get to low carbon is to protect the economy and consumers against that sort of shock.

Mr Speaker: I always enjoy reading the Secretary of State's book, but on the whole I prefer the abridged to the "War and Peace" version.

Tony Baldry (Banbury) (Con): As a Minister in the Department of Energy at the time of the privatisation of the electricity industry, I have watched with concern as a market that had 13 participants at that time has shrunk to just six under Labour. How will my right hon. Friend's proposals drive competition?

Chris Huhne: I thank the hon. Gentleman. That is exactly right. The biggest feature of the market is the fact that 99% of British energy consumers are served by just six companies, and we desperately need to increase that number. The arrangements that we are announcing today are designed to bring new entrants into the market by providing certainty on price, because one obstacle that they have is in understanding how the market works. Many of the new entrants will therefore be encouraged to invest.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): The Secretary of State referred to the need for a "strong, independent regulator" to protect consumers. Given the store he places by that, is it not time that Ofgem looked again at the practice of door-to-door selling, through which many vulnerable consumers are being ripped off by the big six?

Chris Huhne: The hon. Gentleman is absolutely right. We continue to monitor that issue and are discussing it with Ofgem. We will bring forward any appropriate measures when we have considered the matter.

Mr Charles Walker (Broxbourne) (Con): Carbon charging is a tax on jobs. Why are we retarding economic recovery by introducing what is in essence a carbon tax on business and job creation?

Chris Huhne: I do not accept my hon. Friend's analysis. Nick Stern has described the failure to take account of the carbon consequences of our actions as the greatest market failure of all time. Sometimes we have to incorporate the consequences of our actions for the environment into the market decision. That is what we are doing.

Caroline Lucas (Brighton, Pavilion) (Green): Given that electricity market reform will lead to windfall profits for existing nuclear plant of at least £50 million a year and given the rising concerns about fuel poverty, of which the Secretary of State will be aware, will the Government introduce a windfall tax on nuclear and use the revenue to help those living in fuel poverty?

Chris Huhne: The hon. Lady is referring, I think, to the potential impact of the carbon price floor, which will of course begin in 2013 and then rise slowly. There will be no impact of the type that she is suggesting until its introduction. It must be considered alongside all the measures we are introducing to save energy and protect those in fuel poverty.

Mrs Anne Main (St Albans) (Con): The Secretary of State will be aware of the amount of green tax that is already put on people's energy bills. I am puzzled about why his Department will set aside £30 million of taxpayers' money for a certain technology. Surely if we are encouraging the market, it should be the market that puts up the money and not the taxpayer.

Chris Huhne: There is a sound argument in economic literature for encouraging early-stage technologies. Many British Governments have done that for many years. Green taxes are much lower than the estimates that have been bandied about recently in the press. We are committed to bringing forward in the annual energy statements our estimate of the overall impact of all our policies—not only the low-carbon policies, but the energy-saving policies—on consumer bills. The last time we did that, it was estimated that in 2020 our policies would add just 1% to consumer bills, and that assumed a world in which gas prices are lower than they are today and in which oil prices are only $80 a barrel, instead of $118 a barrel. If we want to protect British consumers against the vagaries of these markets that are buffeted by events, such as those in Libya and the middle east, we have to move to low-carbon sources of electricity. That is good news for British consumers, not bad.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Secretary of State has said little about the role of solar energy in future policy development. Representatives of the industry have told me that the Government's feed-in tariff proposals have effectively decapitated the industry. What discussions has he had with industry representatives to overcome that and promote the industry?

Chris Huhne: My colleagues and I have had many discussions with the solar industry. The hon. Gentleman should know that nobody installing less than two tennis courts' worth of solar panels has been in the least bit affected by the scheme announced by the Government whom he supported. For three years, the previous Government also made no allowance for those proposing to install more than two tennis courts' worth of solar panels. I make no bones about the fact that we need to protect the consumer interest. If we had not acted, we would have taken so much money out of the budget that it would have affected not only small-scale solar, but other renewables. It is time to end boom and bust not just in the economy but in solar panels.

Martin Horwood (Cheltenham) (LD): I will skip my own anti-nuclear preamble and just congratulate the Secretary of State on his plans for an emissions performance standard. Does he agree that that and other parts of his plans will in the end protect consumers from the price shocks associated with fossil fuels?

Chris Huhne: There is absolutely no doubt; my hon. Friend makes a very good point. Over the past year we have had a 30% increase in the price of gas, which has fed through exactly into consumers' gas prices and into electricity prices, too, because gas is such a significant part of how we generate electricity. By moving more towards low-carbon sources of electricity—renewables and nuclear—we will insulate ourselves against such price shocks. That is good news for the economy, good news for all businesses, whether they are in this area or not, and good news for jobs, and I hope that it will be welcomed in all parts of the House.

Dr Alan Whitehead (Southampton, Test) (Lab): Does the Secretary of State agree that a targeted capacity mechanism almost inevitably becomes untargeted as it chases lagging investment? That inevitably also leads to overcapacity, at a high price. Does he accept that a representation market, coupled with interconnection, storage and demand reduction arrangements, goes with the grain of a low-carbon energy economy and the electricity market reform measures that he is proposing? If he does, why is he holding a further consultation on capacity mechanisms outside the time scale of his main proposals? Does he have no idea what a capacity mechanism might look like, and is someone twisting his arm in the whole process?

Mr Speaker: I was not very good at maths at school, but I counted five questions there. I know that the Secretary of State will provide a pithy reply.

Chris Huhne: There is a clear description in the White Paper of the different models on which we are consulting, and we are clear that there are essentially two families. One is the strategic reserve, which is effectively bought by the Government and released into the market at a clear trigger point, and the other is a wider range of capacity that is bought through a generalised mechanism for the market as a whole. Either of those targets a particular level of spare capacity, because we have to avoid black-outs in future. If the hon. Gentleman reads the detail of the proposals, I think he will find them compelling. We will reach decisions by the end of the year.

Laura Sandys (South Thanet) (Con): I welcome this fundamental reform of the electricity market. To what extent do we believe we can attract the supply chain to the renewables sector, and is the Department working closely with the Department for Business, Innovation and Skills to ensure that we see an industrial benefit, not just a carbon benefit?

Chris Huhne: My hon. Friend makes a very good point, and yes, we are doing that. We have an enormous potential market with a lot of expertise, particularly in offshore wind, as she well knows. I had the pleasure of opening in her company what was at the time the largest offshore wind farm, quite near to her constituency. We can have an enormous supply chain, and we have to send out clear signals of our commitment, as we are doing. We are also getting the costs down to £100 per megawatt hour, and we can have an enormous and effective industry.

Albert Owen (Ynys Môn) (Lab): We all want to see an affordable, secure and low-carbon supply of electricity. On affordability and price, the Secretary of State will know that people who live in peripheral areas of the United Kingdom pay more for their electricity. Is there anything in the White Paper that can assist them, particularly as those areas produce the electricity in the first place?

Chris Huhne: That is a good point. One thing that Ofgem is currently examining is the transmission review, and we will have to wait and see. The point that I and a number of other people have been making is that in future, in a world in which electricity will not be generated very close to centres of population—we will no longer be siting power stations in the middle of our cities, like Battersea power station; they may instead be far away from cities, as they will have to be where the wind blows or where the tides are—we will have to reconsider transmission charging to ensure that renewable types of energy are not penalised. That will go for distant communities as well.

Conor Burns (Bournemouth West) (Con): The Secretary of State may be aware of the proposals for a wind park of between 900 MW and 1,200 MW covering some 76 square miles just 10.2 miles off the coast of my constituency. Many people in our area are profoundly concerned about that. Given that the local authorities do not have any role in the process, is he prepared to meet me, and my hon. Friends the Members for Christchurch (Mr Chope), for Poole (Mr Syms) and for Bournemouth East (Mr Ellwood), so that we might discuss it with him?

Chris Huhne: I would be happy to meet my hon. Friend on the subject. I caution him, however, against being too hostile to what is, after all, potentially a very interesting development that could have considerable benefits not just for the country as a whole but locally. Every single energy source has its detractors, whether it is nuclear, onshore wind turbines, offshore wind turbines, natural gas or fracking. The reality is that we need to find our electricity from somewhere, and that includes offshore wind farms.

Mr Mike Weir (Angus) (SNP): I am very encouraged by the Secretary of State's response to the hon. Member for Ynys Môn (Albert Owen) on transmission charges. Does he recognise that such charges are fundamentally discriminatory against renewables in their current form? Will he give an undertaking that, as part of his electricity market reform, he will finally tackle that matter?

Chris Huhne: That is a responsibility for Ofgem, with which I have had good discussions on the subject. I have made my position very clear—I believe that I am in exactly the same place on this as the hon. Gentleman—and we look forward to Ofgem's proposals with interest.

Simon Hughes (Bermondsey and Old Southwark) (LD): The introduction of emissions performance standards is a welcome new policy, but may I ask the predictable follow-up question? Will the Secretary of State confirm that coalition Government policy says that nuclear power stations will be built only if there is no public subsidy, which means no greater subsidy for them, irrespective of subsidies that are given to other parts of the energy industry?

Chris Huhne: I have made it absolutely clear that there is no public subsidy for nuclear. Let me explain exactly what we are saying. At the moment, we have the EU emissions trading scheme, which is designed to encourage low-carbon forms of activity and to discourage high-carbon forms of activity. I do not regard that as a subsidy to nuclear. I do not regard the carbon price floor, which exists to support the EU emissions trading scheme, as a subsidy to nuclear—I do not regard a price guarantee that is designed to get certainty for low-carbon generation as a subsidy to nuclear. There will be no extra subsidy for nuclear.

The only justification for giving a subsidy to a technology when it is out there in the market is if it is an early-stage, pioneer technology, such as wave or offshore wind, that has not reached full commercialisation. Otherwise, there should be a low-carbon, level playing field right across the board to discourage carbon emissions and to encourage low-carbon activity.

Mr Iain Wright (Hartlepool) (Lab): The Minister of State, Department of Energy and Climate Change, the hon. Member for Wealden (Charles Hendry), who is on the Treasury Bench, has been kind enough to visit Hartlepool and has seen for himself the huge potential in new nuclear and offshore wind. The statement was good on the analysis of problems, but not so good on providing solutions. What practical, tangible support will the Secretary of State provide to ensure that Hartlepool can realise its vision as the European leader in energy?

Chris Huhne: The hon. Gentleman is being slightly unfair, given that our proposal provides precisely the certainly and clarity to investors that will mean a real increase in investment in all of those low-carbon technologies. I very much hope that his constituency benefits from that process.

Sarah Newton (Truro and Falmouth) (Con): I believe that this reform package could unlock billions of pounds of private sector investment, and that it is critical for our national security and new technology, including marine and deep geothermal energy. What analysis have the Government undertaken to estimate how much money will be unlocked by the reforms?

Chris Huhne: Ofgem's overall estimate is that we need new energy infrastructure investment across all energy sources, including gas, of £200 billion. In terms of plant and grid connections alone for electricity, we are talking about £110 billion over the next 10 years. That is roughly double the normal level of energy investment that takes place in this country. That will be a significant source of demand to fuel the recovery, and of extra jobs, and there will be enormous opportunities for growth throughout the country.

Barry Gardiner (Brent North) (Lab): Four million families heading for fuel poverty does not constitute affordability; a £200 billion shortfall in infrastructure does not constitute security of supply; and a new dash for gas does not constitute low carbon. The Secretary of State knows, as the Minister of State, Department of Energy and Climate Change, the hon. Member for Wealden (Charles Hendry) certainly does, that vertical integration in the big six is the biggest single problem. Why did the Secretary of State not address that in his statement, and when will he do so to break up the monopoly of the big six?

Chris Huhne: I have great respect for the hon. Gentleman's expertise in this area, but slightly less respect for the passion with which he tries to hold this Government to account. Given that no type of electricity-generating plant can be built in less than 18 months—if I am not entirely incorrect, the Government in power 18 months ago were a Labour Government—the idea that any enormous shortfall in infrastructure investment is down to this Government is far-fetched.

Mr Mark Spencer (Sherwood) (Con): Given the Secretary of State's comments about fluctuations in the price of imported fossil fuels, does he recognise the strategic importance of UK Coal and the market to delivering flexible electricity via carbon capture and storage? Will he undertake to work with the UK coal industry so that it can assist in solving the problems in which we find ourselves?

Chris Huhne: The ministerial team are committed to bringing on CCS, which will provide a place in the long term for coal to continue to meet our energy needs. The Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Wealden (Charles Hendry), who has responsibility for energy, is meeting representatives from the coal industry tomorrow to discuss precisely this matter.

Ian Lavery (Wansbeck) (Lab): In addition to what has been said about the British deep-mine coal industry, does the Energy Secretary agree that it will play a crucial role in future electricity generation in the UK? If so, what sort of assistance can he give to ensure the survival of the UK coal industry?

Chris Huhne: I can assure the hon. Gentleman that coal is an important part of our energy mix now and going forward, which is why we have found £1 billion in the comprehensive spending review to fund CCS. Indeed, there has been a substantial increase in deep-mine coal over the past year.

Dr Thérèse Coffey (Suffolk Coastal) (Con): My constituents in Suffolk Coastal, which I christened the "green coast" in my maiden speech, will be very happy with the announcement of these reforms. Given those announcements, will the Secretary of State indicate when something such as Sizewell C might be built?

Chris Huhne: The first of the new power stations is at Hinkley Point—construction of the earthworks is already under way—and the others will arrive in fairly short order after that. There will be a further opportunity to consider that in detail during the debate on the national policy statements on Monday.

Jon Ashworth (Leicester South) (Lab): Many of my constituents are understandably angry about increased electricity and gas prices—British Gas is a striking example—so can the Secretary of State guarantee that these reforms will not contribute to increased energy prices in the short to medium term?

Chris Huhne: It is inevitable that, given that we need the new investment that we have been discussing today, there will be a cost. The energy companies are not the Salvation Army. They do not do things out of altruism; they do them because they are going to reach a rate of return on capital. However, I can assure the hon. Gentleman of this: if he looks at the detail in the White Paper, he will see that our proposals will reduce costs to the consumer compared to leaving the market as it is. Central to our ambition is ensuring that we have affordable, low-cost electricity and that we protect British consumers from the vagaries of past years—with the 30% increase in gas prices and a corresponding increase in electricity prices.

Andrew Percy (Brigg and Goole) (Con): My right hon. Friend will be aware of the successful Pulse Tidal project in the Humber. Will he assure the House that, as the Government move forward, tidal will remain a key priority for them and that funding will be secured for investment so that that investment does not go overseas?

Chris Huhne: Tidal power is exciting and has great prospects. We have some enormously important potential sites for tidal stream—for example, the area around the Severn barrage—and I am confident that as the technology progresses it will play an important part in our energy mix.

Mark Tami (Alyn and Deeside) (Lab): In the Secretary of State's statement, there is one mention of nuclear power, but I do not recall him mentioning it at all when he delivered it. Putting that aside, does he not accept that the industry needs certainty? Otherwise there is a danger that the investment will go elsewhere.

Chris Huhne: I entirely agree with the hon. Gentleman. Investors need certainty and clarity, and that is what we are giving them today.

Andrew George (St Ives) (LD): I warmly welcome my right hon. Friend's statement. On decentralised energy, does he agree, particularly with regard to onshore wind, that the sooner it is enabled, the sooner we can overcome the innate reluctance of many communities to accept it, and ensure that they can share in the benefits?

Chris Huhne: I agree with my hon. Friend about the importance of community schemes. That message has come clearly from the successful schemes, particularly those north of the border. He is absolutely right to point out that when the community has a clear stake in a proposal, it is much more likely to back it.

Mr William Bain (Glasgow North East) (Lab): The United Nations Environment Programme has found that investment in large-scale renewables in China reached $49 billion last year, whereas in Europe it fell by 22% to $35 billion. Where will the Secretary of State find the capital to drive the expansion in the offshore wind sector, given that the green investment bank is having its borrowing and lending powers so badly restricted by the Treasury?

Chris Huhne: The achievements in the low-carbon sector in China are quite extraordinary, and the hon. Gentleman has cited one of them. However, I do not agree that we will have a problem with capital shortage. If we provide the certainty and clarity that we are providing, we will find the investment. It is also very noticeable—I hope that he has noticed this—that the green investment bank will begin to borrow and lend from 2015, and that the biggest investment in many of our renewables programmes will come in the latter part of this decade, so the green investment bank will be there in time to help.

Glyn Davies (Montgomeryshire) (Con): Many of us believe that there is currently an over-dependence on onshore wind to achieve the Government's low-carbon targets. The mid-Wales uplands are under threat of being desecrated through industrialisation by a plethora of multiple wind farms. Does the Secretary of State agree that cumulative impact and high landscape value should be material planning considerations in deciding on onshore wind projects?

Chris Huhne: I accept the position that my hon. Friend has taken on the particular proposals that affect his area. All I would say is that by comparison with other renewable technologies, onshore wind is a tested, effective and affordable technology. It is the lowest-cost renewable technology available in these islands, and it produces electricity at a similar cost to first-of-a-kind nuclear power stations. However, I return to what I said earlier to my hon. Friend the Member for Bournemouth West (Conor Burns) about energy sources. It so happens that every energy source has its detractors. As I view wind turbines as beautiful, I hope that we will not find opposition all over the country to what is a cheap and effective source of energy for our consumers.

Paul Flynn (Newport West) (Lab): Post Fukushima, many of our competitor countries in Europe are planning nuclear-free futures, mainly because of the increased cost that Fukushima has created, by making nuclear reactors uninsurable, with a possible bill of hundreds of billions of pounds afterwards. Is it not irresponsible to go ahead with the plans in Britain without any reassessment of cost? Weightman is not allowed to consider that. Can the Minister really say that he is going ahead without subsidy? He seemed to be saying today, "We're going to have subsidies for old nuclear and new nuclear, but call them something else."

Chris Huhne: No, the hon. Gentleman is wrong on that. We are setting out a framework to discourage high-carbon activities and encourage low-carbon activities. We do not make any technological judgment about how those particular things proceed. The hon. Gentleman is right that Germany, Italy and Japan have all announced either moratoriums or pauses for new nuclear construction. However, it would be wrong to jump to the conclusion that costs will necessarily increase in those circumstances, because obviously if there is less demand for some of the components in nuclear power stations, the normal economics would tell us that their price might fall, so the process might become cheaper. However, I can assure him that we will bear safety in mind first and foremost. That is what I asked Mike Weightman to address, and that is what he has answered in the interim report and will answer in the final report.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I wonder whether the Secretary of State is aware that there has been a proposal in my constituency for a tidal barrage for the last 20 years. Is there anything in the proposals that will finally allow such developments to compete on a level playing field with proposals for wind?

Chris Huhne: That is one of the technologies that we are taking forward in the renewables road map, and I want to make progress on it. We have a considerable resource in that technology, which we want to develop further right the way around the United Kingdom's sea frontier.

Mark Durkan (Foyle) (SDLP): Whatever other concerns the Secretary of State might try to refute in relation to the carbon floor price, he cannot dispute the fact that if levied in Northern Ireland, it would have a hugely distorting impact on the single electricity market—which is based in statute—north and south in Ireland, with its own regulatory framework, and remove the very certainty and clarity for investors, the need for which he has said his reforms are addressing. Does he recognise not only that the carbon floor price will harm consumers and industry in Ireland, but that distorting the single electricity market at this stage would damage the prospect of this island harnessing offshore energy from Ireland in the future?

Chris Huhne: The hon. Gentleman is right to say that the electricity market arrangements in Northern Ireland are quite distinct from those in England, Scotland and Wales. There is effectively a single market between Northern Ireland and the Republic, and we need to be aware of and respect that. I gather that discussions are ongoing at official level and elsewhere to ensure that there are no unintended consequences of the changes that we introduce.

Jo Swinson (East Dunbartonshire) (LD): Feed-in tariffs are proving effective in encouraging people to generate their own renewable energy. Will the Secretary of State look at how they could also be used to encourage the use of negawatts—that is, energy saved—to give people an additional cash incentive to ensure that their homes are warm and snug, and well insulated, so that they do not waste energy?

Chris Huhne: We have been clear in the White Paper on electricity market reform published today that we want to encourage demand-side response. My hon. Friend makes the good point that, in an ideal world, we would move beyond the temporary switching off of demand in order to close the gap between demand and supply and adopt the practice of paying people to reduce overall demand at all times. We are working on that, and we show awareness of that matter in the White Paper. This is a holy grail, however, and we have not yet found a way of doing that without opening up the possibility of wholesale fraud and other problems, but it is a good, interesting idea and we would like to look at it further.

Points of Order

5.11 pm

Mr John Denham (Southampton, Itchen) (Lab): On a point of order, Mr Speaker. On 7 March, the Prime Minister stood with the chairman of Bombardier and said:

"I am bringing the Cabinet to Derby today with one purpose—to do everything we can to help businesses in the region create the jobs and growth on which the future of our economy depends."

People are now asking whether the Prime Minister already knew that his Government were planning to give the Thameslink order to Germany, costing thousands of jobs, so I asked the Prime Minister in a written question when he knew the outcome of the procurement. His reply, tabled yesterday, does not answer the question, but refers to an irrelevant answer to a different question tabled by my right hon. Friend the Member for Derby South (Margaret Beckett). Is there anything that you can do, Mr Speaker, to get the Prime Minister to give a factual answer to a factual question, or should we assume that he has something to hide?

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order and for giving me advance notice of it. He came into the House long before I did; he is a seasoned campaigner and a man of great wisdom and experience. He will therefore know that I am not responsible—I say this with some relief—for anything that the Prime Minister might say or do. That is well beyond my ken. The right hon. Gentleman has placed his concerns on the record, and I am sure that he will find other methods, through the use of the Order Paper and other parliamentary processes, of further registering his views and probing the Prime Minister.

Mrs Anne Main (St Albans) (Con): On a point of order, Mr Speaker. I am seeking your guidance because we are due to have an Opposition day debate tomorrow whose title is as yet totally unspecified. That means that members of the public who wish to attend the debate will have had no notice of the subject, and hon. Members who might wish to prepare for the debate have no cognisance of it. I understand that 48 hours' notice is normally given of such debates and their titles. May we seek your guidance on why that courtesy is not being extended to us?

Oliver Heald (North East Hertfordshire) (Con): Further to that point of order, Mr Speaker.

Mr Speaker: If it is on the same matter, I call Mr Oliver Heald.

Oliver Heald: Thank you, Mr Speaker. For some hours, the PoliticsHome website has been reporting details of the wording of tomorrow's motion, yet when I went to inquire where the motion was, I found a queue of Members doing the same thing and we were told that it had not yet been tabled. Should not the rule be that the motion is tabled here first and then put into the media? Is it not time that the recommendation of the Wright Committee that 48' hours notice should always be given was referred to the Procedure Committee?

Mr Speaker: I note what the hon. Gentleman has said in support of the point of order raised by the hon. Member for St Albans (Mrs Main). There is inevitably a certain amount of letting off steam in points of order, but the simple factual position is that this is not a matter for the Chair. The hon. Gentleman asked a normative question about what the rule should be. That is a matter for the House to decide; I have no power in these matters. It is commonplace for some notice to be given, but that is not an unfailing practice. It is for the Member in charge of the motion to decide on the timing of its tabling, in keeping with such rules of the House as apply, but there has been no breach of order in this case. The concern has been registered and will have been heard—

Oliver Heald *rose—*

Mr Speaker: In a moment. The hon. Gentleman has had one bite; he must not be too greedy. I call Mr John McDonnell.

John McDonnell (Hayes and Harlington) (Lab): On a point of order, Mr Speaker. A letter has gone from the Ministry of Justice today to chief probation officers around the country informing them that the core functions of probation services are to be put out to tender. This is the wholesale privatisation of probation services—possibly the most significant change in probation practice in this country since the service's foundation. There has been no ministerial statement or written ministerial statement, so may I through you, Mr Speaker, suggest to the Government that this matter is of such import that there should have been at least a written ministerial statement on it?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and for advance notice of it. The short answer to the query he raised and the concern he expressed is that I have not been informed of any oral statement on this matter today. I had understood—and, at the time of speaking, I do understand—that there will be a written ministerial statement from the Ministry of Justice about public bodies, but I have not seen the contents of it. I say what I do with some care because it is my best understanding at the moment. If I am wrong or if the hon. Gentleman is dissatisfied, he can return to the matter. I am sure that he will in any case find other ways of pursuing it.

Mr William Cash (Stone) (Con) *rose—*

Mr Speaker: No day would be complete without a point of order from the hon. Member for Stone (Mr Cash). We will come to him; I am saving him up; we look forward to hearing him.

John McDonnell: Further to that point of order, Mr Speaker. The only statement that has come out today has been the consultation paper on reforms proposed in the Public Bodies Bill. The probation service is not covered by that Bill or by the paper itself. I want to emphasise again, through you, Mr Speaker, that this is a significant matter that warrants a ministerial statement of some sort.

Mr Speaker: There are other ways of pursuing the matter. The hon. Gentleman can do so through the use of the Order Paper. I add that we have business questions on Thursday, so if there is no route before then that satisfies the hon. Gentleman, I will look out for him on that occasion.

Oliver Heald: On a point of order, Mr Speaker. Given that the Opposition motion is likely to be

"That this House believes that it is in the public interest for Rupert Murdoch and News Corporation to withdraw their bid for BSkyB",

would it be in order for the shadow Leader of the House to rise and tell us whether that is the case, as doing so would be a courtesy to the House?

Mr Speaker: The hon. Gentleman is a persistent and indefatigable fellow, but I need to say two things to him. First, that is not the way we go about the confirmation of business in this place. Secondly, although it is extraordinarily generous of the hon. Gentleman to refer me to the PoliticsHome website, I am not among those who browse it with any frequency. *[Interruption.]* "Very wise" says a Government Whip on the Treasury Bench; I suppose Government Whips know about these matters. I think it was the hon. Member for Lichfield (Michael Fabricant) who volunteered that helpful advice to me.

Mr Cash: On a point of order, Mr Speaker. Have the problems with the Division bells in Portcullis House been sorted out? Would you be good enough to look into the matter, Mr Speaker, as last night a number of problems led to significant delay. Has it been sorted out; is the root cause being investigated?

Mr Speaker: I was not aware that there was a problem; I am now. I hope that there is not still a problem. I have known the hon. Gentleman for at least 13 or 14 years and the thought that he might, as a result of some failure, miss a vote is something that saddens me. Whether the same would be said of him by the Government Whips is a matter of legitimate speculation and conjecture. We will leave it there for today.

National Debt Cap

Motion for leave to bring in a Bill (Standing Order No. 23)

5.19 pm

Sajid Javid (Bromsgrove) (Con): I beg to move,

That leave be given to bring in a Bill to set a legal cap on the amount of outstanding net Government debt as a percentage of gross domestic product; and for connected purposes.

Before I came to this House, I worked as an international bond trader and structurer. One of my roles was to advise Governments that had gone bust. The Governments of Mexico in 1994, Thailand and Indonesia in 1997, Russia in 1998 and Argentina in 2001 believed that investors had an insatiable appetite for their bonds, regardless of their ability to pay. The consequences were devastating.

For the benefit of Members who might be tempted to write off sovereign defaults as a developing world problem, let me cite Iceland, Greece, Ireland, Portugal and—very soon, perhaps—Spain and Italy. Had we not had a change of Government 14 months ago, we could have been engulfed in a sovereign debt crisis of our own. Although the coalition Government have restored fiscal probity, it would have been far better if we had not been taken to the brink in the first place. That is why I believe that one idea that we could usefully pinch from our American friends is that of a debt ceiling. Despite the political debate that America's debt ceiling has provoked in Washington—indeed, precisely because of it—Britain should set a cap on its net national debt as a percentage of GDP.

As in the United States, net public debt has soared in the United Kingdom over the past decade, rising from £312 billion to £920 billion, or from 31% of GDP to 60%. Of course, some of that was due to fiscal stabilisers resulting from the recent financial crisis, but most of it was due to a failure of government. Instead of trying to find solutions to long-term challenges to the public finances, the previous Government took the easy way out, believing that the answer to every problem was to spend more money.

Had that excessive public spending led to hugely improved public services, perhaps the previous Government could have been forgiven, but in many cases it made things worse rather than better. Under the previous Government, welfare spending increased from £149 billion to £218 billion, yet the number of workless households increased from 3.7 million to 3.9 million. Under the previous Government, health spending increased from £58 billion to £117 billion, yet England shamefully lags behind virtually every other European country for cancer and stroke survival rates. Under the previous Government, education spending increased from £50 billion to £87 billion, yet, according to the OECD's world rankings, over the past decade Britain fell from seventh in the world for reading to 25th, from seventh in the world for maths to 27th, and from fourth in the world for science to 16th. In short, under the previous Government Britain has had Scandinavian levels of public spending but Mediterranean levels of service. Such an attitude to excessive debt was not only economically wrong, but morally corrupt. Politicians have no right to pass the buck to the younger generation by ducking the tough decisions now. Why should our children pay for our mistakes?

Britain would not be the only country in Europe to adopt legal fiscal constraints. Germany passed a debt brake law in 2009 to cap the federal deficit at a conservative 0.35% of GDP by 2016. Switzerland also has a debt brake, and France's lower house voted just last month to pursue a similar idea. According to the International Monetary Fund, as many as 80 countries now operate fiscal rules, whereas just seven operated them in 1990. Some Governments, however, are determined to learn the hard way that the markets will impose a limit on state borrowing, just as they do on individuals and companies. The recent bail-outs of Greece, Ireland and Portugal show what happens when Governments ignore that fundamental truth, and act as though investors had no choice but to buy their bonds. Clearly, market discipline is not enough to hold back reckless state spending. By the time the market itself says no, it is too late.

Despite the Government's efforts, Britain's inherited economic problem is such that it will take at least another four years to eliminate the structural budget deficit. As a result, net national debt will peak at 71% of GDP in 2014. The coalition Government have not shied from tough decisions and have embarked on a major programme of public sector reforms, but what is to stop a future Government reverting to unrestrained borrowing? Thankfully we do not live in a one-party state, and it is possible that one day we may have a Government who are less economically literate than the current one; so why do we not make it harder for a future Government to create a mess in the first place? A debt cap is no guarantee against fiscal irresponsibility, but it will certainly make it harder for politicians to rely on their favourite ruse of "Buy now, pay later".

Although my Bill would leave it to the Treasury to set the cap level, I think that fixing it at about 40% of GDP would be appropriate. There is nothing particularly significant about that figure, but, given my 20 years of experience, I believe it would be a sensible place at which to begin the debate.

The start date for the cap would have to be set at some point in the future, perhaps 10 years from now, but that would in no way diminish the effectiveness of the cap. Indeed, knowing the goal a decade in advance would provide the Government with a clear and consistent downward target.

Ideally, the cap should include off-balance-sheet liabilities such as unfunded public sector pensions and private finance initiative schemes. Following the creation of the independent Office for Budget Responsibility, this Government are leading the way in trying to assess the amount of such "hidden" public debt. Indeed, tomorrow the OBR is set to publish the whole of Government accounts for the first time in Britain's history, and that is likely to estimate such debt at over £1 trillion. Once a suitable method to measure such liabilities becomes more commonly accepted, perhaps they, too, can be included in a revised cap.

Without proper enforcement, good intentions count for little, so the OBR should be given the task of monitoring compliance with the cap. Should the cap be violated, the Government would be given a fixed period to remedy the situation. Failing that, the Government would be forced, by law, to repurchase Government bonds early, thereby reducing net outstanding debt. Nevertheless, critics will say that faced with the prospect of cutting spending or raising the cap, a Government will always opt for the latter, but my Bill would require the Government of the day to make their case openly in Parliament and to explain to the nation as a whole exactly why they believe they need to borrow more. There will need to be a vote, and MPs will have to explain their decision to their constituents. For any Government conscious of their duty, let alone their popularity, the disincentive to doing this should not be underestimated. My Bill will, at the very minimum, force a national conversation where previously there has been only stealth and obfuscation.

Nation states have rightly used public debt as a fiscal tool for centuries. Britain's debt has been both far higher and far lower than it is now, but it has never been more unsustainable. I believe that restoring Britain's fiscal rectitude is the calling of this generation of politicians, and the time to start is now.

5.28 pm

John Mann (Bassetlaw) (Lab): It is always a joy to listen to new Members coming up with old ideas, or old Members coming up with new ideas, and here we have a new Member eagerly supported by many of the new generation of Tory MPs—a generation who fundamentally hate the concept of the public sector and Government. The tradition they—

Mr David Ruffley (Bury St Edmunds) (Con): There's no one behind you, John!

John Mann: Well, my right hon. Friend the Member for Blackburn (Mr Straw) is one of the few who would be able to pray in aid the key point I am about to make about previous debates. I am sure the hon. Member for Bromsgrove (Sajid Javid) would love to pray in aid some of the past figures of the right, such as Margaret Thatcher, Ronald Reagan and Winston Churchill, but unfortunately for him there is only one politician whom he can pray in aid on the proposition of capping the national debt, and he is a Labour politician; or rather, he was a Labour politician but he switched sides. His son was once the MP for Bassetlaw, and his name was MacDonald: Ramsay MacDonald. At that time, a failure to understand basic economics led to the formation of a national Government and to John Maynard Keynes having to rescue those who were stuck in the failed logic of the gold standard and everything that emanated from that. A similar constraint on Government action was rejected between 1980 and 1984 by Ronald Reagan, who in fact did exactly the opposite. Such a constraint was also rejected by Margaret Thatcher between 1979 and the end of the 1980s. Although she did many things wrong, she did not accept this fundamental concept and she failed to shrink the state.

Such a constraint was also rejected by Winston Churchill, and that example is perhaps the most relevant. Can we imagine being sat here in 1939? Luckily, Keynes had by then won the argument against Ramsay MacDonald and the Labour traitors who formed the national Government on the flexibility of economic policy. Hitler was determined to invade this country, as well as the rest of Europe, and we were required to spend to defend ourselves. Can we imagine our being hamstrung by a requirement to change legislation to allow this country to spend money from the public purse in order, rightly, to defend ourselves? Now we see the shaking of heads

[John Mann]

by those on the Government Benches, because the argument has been lost—I will demonstrate precisely why they have lost the intellectual and economic argument.

In 1999, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) decided to pay off some of the national debt. Which bits of it was he paying off? He was paying off national debt from the Napoleonic wars, which went back nearly 200 years, to a time when, again, there was a national crisis and a wise Government determined that this country should spend to defend itself. So, we see the naivety of the would-be Reaganites and Thatcherites, who are, in fact, the MacDonaldites. They would restrict our ability to act at times of crisis on the economy, they would reject the wisdom of Keynes and they would opt purely for the logic that Milton Friedman adopted and tried out in 1973 in Chile—the people there were the only ones after Ramsay MacDonald to attempt this economic philosophy. That is what the motion proposes.

I have learned over the years in this place that it is sometimes best that these arguments are had and then left to rest, particularly as we reach the summer recess. This is such an unwise proposition that I shall resist even the temptation of allowing a vote on it and, thus, giving it credibility.

Question put and agreed to.

Ordered,

That Sajid Javid, Mr Frank Field, Mark Garnier, Matthew Hancock, Joseph Johnson, Mr David Laws, Andrea Leadsom, Jesse Norman, Claire Perry, Mr John Redwood, Mr David Ruffley and Nicholas Soames present the Bill.

Sajid Javid accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2012, and to be printed (Bill 218).

Sir Malcolm Jack KCB

5.34 pm

The Leader of the House of Commons (Sir George Young): I beg to move,

That Mr Speaker be requested to convey to Sir Malcolm Jack KCB, on his retirement from the office of Clerk of this House, the House's gratitude for his long and distinguished career, for his wise contribution to the development of the procedure of the House and to close understanding among the Parliaments of the Commonwealth, for his leadership and professionalism in the discharge of his duties as chief executive of the House, and for the courteous and helpful advice always given to individual honourable Members.

I hope that we will now move on to more consensual territory.

It is a pleasure to move the motion and lead the tributes today to Sir Malcolm Jack. A hundred years ago, my great-grandfather, Sir Courtenay Ilbert, was Clerk of the House. Among the tributes that were paid to him as he stood down in 1921—coincidentally, the last time the House applauded the services of an outgoing Clerk during a coalition Government—was this, from Asquith,:

"he has sat in that chair, the duties of which are more arduous, more responsible, and more delicate than the world outside knows, and I am sure that I am expressing the universal opinion of the House when I say that he has worthily maintained its great traditions".—[*Official Report*, 15 March 1921; Vol. 139, c. 1258.]

Those words ring as true today as they did then.

Sir Malcolm was appointed Clerk and chief executive of the House in 2006 and has seen the House administration through a period of great change. The recommendations of Sir Kevin Tebbit's review of the management and services of the House were challenging, but Sir Malcolm saw immediately that half measures would not do: the challenges had to be tackled immediately and it was his persuasion and energy that ensured that considerable structural change took place that streamlined the House's governance, reduced the number of House Departments and resulted in a more efficient service for Members and indeed members of the public.

That reflected the administrative half of the twin responsibilities that we give the Clerk of the House. The ancient role of the Clerk is to be our principal constitutional adviser and our chief expert on all aspects of our business. I say "the ancient role", but more recent events have shown the importance of the Clerk's independence. Sir Malcolm's grave warnings that provisions in the Parliamentary Standards Bill in 2009 might lead to judicial incursion into matters that are exclusively ours, and his measured advocacy of an alternative course, obliged the then Government to withdraw that whole part of the Bill.

"Parliamentary privilege" is an often misunderstood term but we all understand how important it is to our right of free speech. Sir Malcolm is acknowledged as a great authority on such matters and I have no doubt that his expertise in all the procedures of this House will be on show in the eagerly awaited 24th edition of "Erskine May", of which he is the editor and which will be officially published tomorrow—yours, Mr Speaker, for just £267.

Sir Malcolm's family and background have been cosmopolitan. He was educated in Hong Kong before university in the UK. He is one of the few of our Clerks

who speak Cantonese. He cuts an elegant figure, no doubt partly attributable to the many lengths he swims almost every day at 4 Millbank. Indeed, when he was Clerk of the Agriculture Committee he was known as "the most elegant man ever to don Wellington boots".

He has been a great champion of our links with overseas Parliaments, particularly within the Commonwealth and especially in Africa. He deserves our thanks for the links that he has nurtured with many African Parliaments and the support and guidance he has given them, which I know they have much appreciated, most recently in the seminars in Malawi last year and Tanzania earlier this year. About Sir Malcolm's appearance in a Masai warrior's robe at the Commonwealth parliamentary conference in Nairobi last year perhaps little should be said, but I am told that photographic proof is available for a modest fee.

By profession Sir Malcolm is a philosopher as well as a Clerk and has published learned books and articles on philosophical subjects. He has put this into practice here. When he was a Clerk in the Table Office, a Member trapped his hand in a filing cabinet. Others present in the room looked on with interest. "Can't you do something?" the unfortunate Member asked, "I'm in physical pain." Malcolm decided to be helpful, "Ah," he said, "metaphysical pain is far worse."

He is also credited with what his colleagues know as "Jack's law", which states that mentioning the name of a person ensures the appearance of that person and, moreover, the speed of the appearance is in direct proportion to how disparagingly the person has been described.

Sir Malcolm's "Who's Who" entry gives a remarkable list of recreations, including,

"thinking for oneself...empires adrift, Johnsoniana"—

Samuel, I think, rather than Boris—

"oriental ceramics, Africana, escaping southwards."

We rejoice with Sir Malcolm that escaping southwards will soon be much easier. We thank him for his 44 years' devoted service to the House, culminating in five years as Clerk of the House, and we send him and his partner Robert Borsje our warmest good wishes for the future.

5.40 pm

Hilary Benn (Leeds Central) (Lab): It is with great pleasure that I rise to support this motion on behalf of the Opposition, although it is a pity that Sir Malcolm is not here, for obscure reasons of tradition, to savour our praise. Oppositions do, from time to time, create a bit of trouble for the Government of the day, and in doing so we are always very helpfully advised by the Clerk of the House, who equally helpfully advises the Government on how to avoid the trouble. That is the skill of the Clerk—to offer guidance without fear or favour in the interests of our democracy—and that is exactly what Sir Malcolm has done with resolute distinction and great wisdom.

In addition to the achievements that the Leader of the House has recalled, Sir Malcolm has seen this place in and through turmoil—no more so than two years ago, but however bad that was, some of his predecessors have had a much tougher time. At the end of the 1500s, the Clerk had his own expenses troubles: he was so out of pocket that Members had to pass round the hat to pay his salary. In 1723, Thomas Ward made some extremely disobliging comments about King George I and for his pains was whipped around Palace Yard—the ancient equivalent of appearing before one of our more vigorous Select Committees. Later that century, Lucas Kenn was attacked in Cornhill, losing his wig and hat in the process, by a group who had just given evidence to a House Committee and wanted their documents back. I am glad to say that since then the pen and the tongue have replaced the fist and the whip but they are just as sharp in their own way.

Having joined the Commons Clerks Department straight from university in 1967, Sir Malcolm has seen it all—from the Agriculture Committee, as we have just heard, to the Joint Committee on House of Lords Reform, and from Ways and Means to the House of Commons Commission. Sir Malcolm's perspicacity and that watchful eye of his, peering over the table—that is what I will always recall—will have escaped few Members' notice over the past 44 years. As we have heard, he has been very keen to share our experience with parliamentarians across the Commonwealth and the world, and to learn from them. His influence may be greater even than we suppose. I am advised that when attending the Commonwealth Parliamentary Conference in Arusha in 2009, he was being driven by the Clerk of the Kenyan Parliament from Nairobi—an extremely gruelling journey—when in the middle of nowhere they had a flat tyre. While gloomily contemplating the problem, they were astonished by the sudden appearance of a priest, who had presumably been summoned telepathically by Sir Malcolm. As well as providing spiritual guidance, the priest managed to change the tyre and they continued their journey.

Throughout his career, as well as giving sound advice and service, Sir Malcolm has found time to write widely on subjects far removed from Parliament. He has written about the 18th-century politician and philosopher Bernard Mandeville, who first talked about the division of labour, and about Lady Mary Wortley Montagu, who once wrote a political periodical entitled the "Nonsense of Common-Sense", which I am sure Sir Malcolm will have heard from hon. Members of the House from time to time. Yet, from his seat at the desk he has offered quiet, wise and courageous advice—never more so than in the wake of the expenses crisis, as the Leader of the House has recalled. At that time, he reminded us all that our freedoms as a Parliament—for that is what privilege is for—should not be cast aside in haste. Those freedoms are far too precious for that. I hope that he will cast an eye over the draft Bill on parliamentary privilege when it finally makes its appearance.

In his letter informing the House of his intention to step down, Sir Malcolm said that

"members'...duties...will necessarily ruffle and disturb the peace of consensus".

I hope that we will promise Sir Malcom that we will all do our best to heed that advice, aided and abetted by the new edition of "Erskine May" that we are all eagerly anticipating.

I am sure that the House will agree with what Sir Malcolm said recently:

"One of the best features of the job is that I never know exactly what the day will bring".

That is one of the joys of this place, and I am sure that the same will be true of his retirement. It is with great

[Hilary Benn]

and heartfelt thanks that, on behalf of the Opposition, I join the Leader of the House in offering our best wishes to Sir Malcolm and his partner, Robert Borsje, for their future.

5.45 pm

Sir Alan Haselhurst (Saffron Walden) (Con): I have had the honour of serving in this House for a high proportion of the years in which our retiring Clerk has served, and I am pleased to have the opportunity to attest to the enormous work that he has done at various levels, giving sagacious and good-humoured advice throughout. His knowledge of this place is such that we should perhaps hope that his memoirs will be confined to the next edition of "Erskine May", rather than branching out into any other form.

I pay special tribute to Sir Malcolm for the devotion that he has shown to a matter beyond the immediate needs of the House: the Commonwealth Parliamentary Association. To take up what my right hon. Friend the Leader of the House said, Sir Malcolm has understood, during his time as Clerk, that Parliament is seen very much as a central feature of the whole Commonwealth parliamentary structure. He has put himself out at all times to ensure that the Clerks department and hon. Members are actively engaged in discussions and liaison with other parliamentary associations across the Commonwealth. That is an important part of parliamentary activity, though not, perhaps, the one most noticed by the public. He has played a great role in strengthening those parliamentary connections, and we should be grateful to him for that. It is fitting that towards the climax of his parliamentary career he will, alongside you, Mr Speaker, play a pivotal part in the centennial conference of the Commonwealth Parliamentary Association in London later this month.

5.47 pm

Mr Jack Straw (Blackburn) (Lab): I apologise to the House for departing as soon as I have spoken, but I am due to give the Gareth Williams memorial lecture in Gray's Inn at 6 o'clock; I shall be late.

The Clerks of the House are the guardians of our procedure and—with you, Mr Speaker—our rights and privileges. Happily, we take the work of the Clerks for granted, their encyclopaedic knowledge as a given, and their efficiency as the norm. We would, however, soon notice the difference if the Clerks did not excel at their work. None has excelled more in his dedication, commitment and skill than Sir Malcolm Jack, Clerk since 2006, to whom we pay tribute this afternoon.

I have been in this place for long enough, but Malcolm had been a Clerk for 12 years before I arrived. In the 32 years in which our services have coincided, I have come to know Malcolm well, and to regard him as a friend. The Leader of the House and the shadow Leader of the House were sensitive enough not to mention which fool was Sir Malcolm's adversary over the Parliamentary Standards Bill in 2009, but it was I. I had, in good faith, judged necessary a modest little provision putting a gloss on that most sacred of rights, parliamentary privilege, to ensure that the Independent Parliamentary Standards Authority could work better. As many will recall, Malcolm weighed in tenaciously with objections. Even with the usual assistance available to Ministers to enable them to take the intellectual high ground in debate—heavy whipping, arm-twisting, promises to recalcitrants of overseas trips—my task was doomed to failure. To every argument that I advanced from the Dispatch Box, the advice of the Clerk of the House was quoted back at me as holy writ. It was a hopeless task. The result of the Division was Straw, Jack 247; Jack, Malcolm 250. He won, I lost and the Bill, it must be said, was much better for it. If ever Malcolm had needed, which he did not, an expression of complete confidence in him by the House, that was it.

I know, too, from my many friends among the staff in the House that Malcolm is held in enormous respect and affection by them. He has carried his duties with a light touch and ready humour. I have great pleasure in endorsing the motion of gratitude to Sir Malcolm, and I offer him my deep personal thanks and every good wish in his retirement.

5.50 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): It is a pleasure to offer, from the Liberal Democrat Benches, support for the motion in recognition of the work of Sir Malcolm Jack. Forty-four years is an extraordinarily long time in the service of the House. I always find it worrying when people who have been here longer than I have leave, for one reason or another. Like policemen getting younger, it is a reminder of things one does not want to know about.

Sir Malcolm arrived here from a background which was, in those days, not conventional, and all the better for that. He had been educated at school in Hong Kong and attended Liverpool university where he got a first-class degree. It is a model not sufficiently followed, perhaps, even in subsequent years and one to which we should return to draw a wide breadth of talent into the service of the House. It was certainly not a mistake to recruit that Liverpool university graduate—quite the contrary. It was a very wise move.

In the course of Sir Malcolm's time here, it has been a pleasure to be able to talk to a scholar of achievement and repute, which marks him out, and that has been of great benefit to us. But the line in the motion that most appeals to me is the reference to his "courteous and helpful advice". If the right hon. Member for Blackburn (Mr Straw) self-deprecatingly described himself as the fool who started the argument with Sir Malcolm Jack, I was the slightly wiser man who sought his advice. It was the Justice Committee which asked the Clerk of the House to give us evidence, took that evidence from him, published it in a report and made it available to the House so that it had a powerful effect on the Parliamentary Standards Act 2009. I think we all acknowledge how important it was to protect the rights of our constituents that are embodied in that unhelpful phrase, "parliamentary privilege", a subject on which he has a surpassing knowledge.

While supplying that "courteous and helpful advice" and doing the things that Clerks traditionally do, Sir Malcolm was continuing a process by which the Clerk of the House became the chief executive of the House—a pretty challenging process and one in which he has helped us significantly. It is a process that will

continue under his distinguished successor, and its difficulties and challenges must not be underestimated. The fact that Sir Malcolm coped well with those is a mark of the respect in which we now hold him and is a further and particularly compelling reason why we should thank him for his service to the House and wish him much happiness, enjoyment and scholarship in the future.

5.53 pm

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful for the opportunity to follow the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), who was a member of the House of Commons Commission for 17 years. I did not get anywhere near his record. I served only 10 years on the Commission.

It is a pleasure to catch the Speaker's eye because this is a parliamentary occasion, as well as a memorable occasion. It is memorable because Sir Malcolm Jack has served 44 years in the House and by my reckoning he has served through seven Prime Ministers, one of them, Harold Wilson, being a retread. As was touched on by the Leader of the House, Sir Malcolm also served as Clerk to the Agriculture Committee—wellingtons and all—for eight years. If anything shows assiduity, devotion to duty and attachment to the House, it is serving that Committee for such a lengthy period. He moved on to become Clerk of Supply and Clerk of Standing Committees. He also served the Joint Committee on House of Lords Reform from 2002 to 2003. If he believes in déjà vu, he has only to close his eyes, open them again and see that House of Lords abolition or reform, however one wants to describe it, is back on the agenda.

Sir Malcolm has managed to combine his duties in the House with being a philosopher, a scholar and a writer, whose books had not only to be written but to be researched. I surmise that the research was as arduous as the writing. One of his works which will be worth looking at is the saga, "Corruption and Progress: the eighteenth-century debate". It should be read again by all the cognoscenti in our present era. They may find that, if I may quote French, plus ça change, plus ça reste le même: the more it changes, the more it stays the same. Many of those in the news at present might have a good look at that. Sir Malcolm would understand more than anyone that progress and change are not the same.

On reading the various publications of Sir Malcolm, I came across a book entitled "The Turkish Embassy Letters of Lady Mary Wortley Montagu". My ears pricked up and, I went chasing down to the Library. I thought journalists from the tabloid newspapers might have got there before me, but I am happy to say that they did not. The book is a very interesting account of what went on at the end of the 1600s and into the 1700s and is well worth the read.

That book mentions Sir Malcolm's vocation as an independent scholar. His book on Lisbon published in 2007 is certainly also worth a read for those who love Portugal, as he does, and its beautiful capital city. I note, as did the Leader of the House, that in "Who's Who" one of Sir Malcolm's recreations is listed as "escaping southwards". I imagine there are many in the fourth estate who might look to him for advice on how they might make an early escape southwards.

Forty-four years of service. Can one understand that? Sir Malcolm was in the House under the Speakership of Horace Maybray King, who was in the Chair when I first came to the House in the 1950s. Sir Malcolm sat on the House of Commons Commission for almost five years. The right hon. Member for Berwick-upon-Tweed referred to the fact that Sir Malcolm moved from Clerk of the House to become its first chief executive. He understood that the Commission is an intrinsic part of the workings of Parliament under your chairmanship, Mr Speaker. Its work is, for the most part, as the right hon. Member for Berwick-upon-Tweed will understand, unsung and unnoticed, but none the less invaluable.

As the Leader of the House said, Sir Malcolm saw the need for the changes recommended by Sir Kevin Tebbit and he brought them about. His work might have been unnoticed until the famous expenses scandal. As a member of the Commission he became a focal point for us all. He gave us his advice wisely and discreetly. He saw the House through turbulent times and as the Leader of the House said, and as my right hon. Friend the Member for Blackburn (Mr Straw) graciously recalled, Sir Malcolm played a major part in steering the House away from losing its privileges under the Parliamentary Standards Bill. With Sir Malcolm's help, the Leader of the House and I hijacked the Bill and made it a better Bill in the interests of Parliament. So he used that time of crisis as a time of opportunity.

Sir Malcolm was also accounting officer with overall responsibility for the House's finances, resource accounting and internal controls. All these had a great impact on this sovereign Parliament for a sovereign nation.

In the letter that Sir Malcolm wrote to the Speaker, which was mentioned by the shadow Leader of the House, he stated:

> "Unwarranted and unfounded criticism from whatever quarter should not deflect Members from their duties which will necessarily ruffle and disturb the peace of consensus."

Sir Malcolm was one of those unsung Officers serving the House of Commons Commission who was instrumental in assisting the House to make a much-needed transition.

While talking about transition, I hope that you, Mr Speaker, will not mind my saying that Sir Malcolm had to lead the transition from one Speaker to another mid-Session. I can testify from my own experience and observation to the friendship and camaraderie he extended to you, Sir, and the advice he offered on so many new areas, which I am sure you appreciated and valued. That is an important and significant point that ought to be made. The Leader of the House referred to the 24th edition of "Erskine May". Although it is to be published tomorrow, a copy is already available in the Library and has been read many times by many Members in the short time it has been there.

I will end my remarks with a quotation from the famous poet Andrew Marvell, though it might be out of context:

> "He nothing common did or mean
>
> Upon that memorable scene".

We should make it "this memorable scene". Sir Malcolm retires from the House with his honours thick upon him, and deservedly so. I salute him, as does the House and Parliament, and as should the nation.

Several hon. Members *rose—*

Mr Speaker: I hope that the hon. Member for Stone (Mr Cash) will imitate the quality of "Erskine May", a copy of which he is clutching, but I feel modestly confident that he will not seek to equal its length.

6.1 pm

Mr William Cash (Stone) (Con): I am extremely grateful, Mr Speaker, and note that the latest edition of "Erskine May", the 24th, produced by Sir Malcolm Jack, is dedicated to you:

> "To The Right Honourable John Bercow MP, Speaker of the House of Commons, and to the Lord Speaker, Speakers and Presiding Officers of the Commonwealth Parliaments, on whom fall the great responsibilities of guardianship of the parliamentary system."

In the words of Maine's "Ancient Law", justice is to be found in the interstices of procedure, so it is a proper reflection on your role that Sir Malcolm makes that dedication in this excellent book, which I am glad to point out is somewhat shorter than previous editions. I have had occasion in the past to read out certain passages, for example in relation to the Maastricht treaty, to remind Members exactly of their responsibilities, but I do not need to do so on this auspicious occasion, nor would I wish to.

The remarks that have been made about Sir Malcolm, whom I have known since I first became involved in the processes of the House in 1967, are that he is a man of enormous integrity, a great scholar and a purveyor of the wisest advice, based on his knowledge of philosophy and history. He has been a remarkable Clerk and has been in our service. One thing I recall most specifically about his great career is the fact that he has been a persistent defender of the sovereignty of this House. The case mentioned by the right hon. Member for Blackburn (Mr Straw) in his fulsome tribute occurred in adversarial circumstances but demonstrates that those involved realised upon reflection that the advice Sir Malcolm gave was of such quality that it needed to be followed by a successful vote, which shows that we owe him a great debt. Questions of parliamentary privilege are not merely esoteric—the expression is greatly misunderstood—but relate, as others have said, to the defence of the rights of those whom we represent.

Furthermore, Back Benchers rely heavily on the advice of the Clerk, and I have had reason to be deeply grateful for the wise and impartial advice that Sir Malcolm has given periodically on great matters of parliamentary and constitutional importance. I have no doubt whatever that his successor, Mr Robert Rogers, will follow in his footsteps and that we will have the advantage of his wise advice as well.

In conclusion, I want to put on record my appreciation—shared no doubt by many other Back Benchers—for the tremendous work that Sir Malcolm has done. It is enormously important that we, as Back Benchers, have access to impartial and wise advice, particularly against the blandishments, manoeuvrings and machinations of the usual channels, the Whips. I have experienced more than my reasonable share of that in the 27 years for which I have had the honour of being in this place, but I have always had the most tremendous help from those like Sir Malcolm, and from him in particular.

6.5 pm

Mr Frank Doran (Aberdeen North) (Lab): I am delighted to have the opportunity to add my thoughts on Sir Malcolm Jack and his career to those that have already been expressed. Like many Members, when I arrived in this place I had no idea who was who or how it was run, and I stayed that way for many years, but Malcolm Jack always stood out as someone I recognised. The Leader of the House has referred to his dignified bearing, and I first became aware of him as a much younger Clerk, when I was an even younger Member. He clearly stood out as someone of importance, even though I did not know what position he held; that was the impression he gave. I got to know him much better when I became Chair of the Administration Committee and, subsequently, a member of the House of Commons Commission. This place produces many exceptional people, but Malcolm Jack is particularly exceptional. Many colleagues have commented on the advice he has given regularly to the Commission, often in difficult circumstances, and how valuable it is.

In trying to pull together a picture of Malcolm Jack, I picked up one or two things from various political websites. I found an interesting description in a column following an appearance Dr Jack made before the Liaison Committee last year. He was described as

> 'the grandest panjandrum in the palace. He is so clever that he makes David "Two Brains" Willetts look like a village simpleton. Friends call him "Three Brains", or at least they should. Dr Jack appeared in his full outfit, including a tailcoat and gigantic comedy white tie. He looked like a brilliant scientist winkled out of his lab in order to accept a Nobel prize.'

I see that philosopher's frown every time he is thinking, particularly when chewing over the difficult issues that might have led that reporter to think that of him.

I want to concentrate on two aspects of Malcolm Jack that stand out in my experiences of him. The first is that he has always been available, as many have said, and not just to Members or important commissioners and holders of grand positions, but to his staff. I had many discussions with him through the crisis that we all dealt with. I know of no Clerk, with the exception of those in the 1500s who could be flayed in New Palace Yard if they got things wrong, as the shadow Leader of the House mentioned, who has had to deal with such challenges. In virtually every discussion I had with him one of his key concerns was the effect that the crisis was having on the morale of the staff. He protected his staff, many of whom are paid much less than they would be outside this building, and was always available to them as much as he was to anyone else. He understood the loyalty they felt to this place and that they were severely damaged by the crisis. We thought that we were the ones who were damaged, but many others were damaged in that process. His concern about the impact on the staff was extremely important, and he knew that the reputation of the House was extremely important to them.

The second area where I think he distinguished himself, and which has also been highlighted by the Leader of the House, is in his attempt to modernise this place, which I think has been very important. The Leader of the House mentioned the Tebbit report. I remember asking a senior Officer of the House, shortly after becoming Chair of the Administration Committee, how decisions were made about repairs and improvement to the building. To summarise, the answer was basically,

"It's what your Committee wants, Sir." There is a culture of deference in this place, although I think it has reduced over the past four or five years. It is important that it reduces, because we do not make the right decisions when deference is the motivation behind the advice that is given to Committees and others in this place. In the conversations that I have had with Malcolm Jack, he recognised that.

Malcolm Jack was not the initiator of the Tebbit report—the Commission had ordered it before his appointment—but he made sure, as the Leader of the House pointed out, that it was implemented very speedily. This House is a better place for that. It is much more structured; there is planning. For example, six or seven years ago there was no long-term strategy for the maintenance of this building; now there is a 25-year strategy with five-yearly reviews. Simple things like that make a difference to this place, and Malcolm Jack has been responsible for seeing that through.

I had a brief discussion with Malcolm when I heard about his retirement—he may not thank me for saying this—and we were talking about his successor. I believe quite strongly that one day the position of the Clerk and that of the chief executive will be separated and we will see much more outside influence. Malcolm is probably the exception to the rule, but 44 years in one place is not the best training to run that place. One needs outside influences and to know what is happening in the outside world. I think he understands that. He may be a bridge between the old-style Clerk and the new-style chief executive of the future.

There are lots of things that I wanted to say, but what we all want to do is to offer him and his partner all best wishes for the future. I know that he has a lot of plans to do more writing; "Erskine May" is not the limit of the opportunities that he sees for himself. I add my congratulations to him on the service that he has provided to this House and wish him and his partner all the best for the future.

6.12 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): Sir Malcolm Jack is proof that the United Kingdom's largely unwritten constitution is not only unwritten but living. The mark that he leaves on his office and on the institution of the Clerks in this House is perhaps, as the hon. Member for Aberdeen North (Mr Doran) suggested, a lessening of their deference, not only to Members but in relation to their position in the British constitution. The former Home Secretary, the right hon. Member for Blackburn (Mr Straw), referred to the Parliamentary Standards Act 2009, which challenged the supremacy and privileges of this House. I believe that Sir Malcolm was innovative in his approach in taking on a more public role than his predecessors by being a less deferential part of the British constitution.

That is a reminder of the fact that this House and Parliament does not just depend on what we say about ourselves, and on what judges say about us and the laws that we make; we depend, as an institution, for our sovereignty, on the institution of the Clerks themselves. I listened with interest to the hon. Member for Aberdeen North say that the role of chief executive should be separated from that of Clerk of the House. Part of the strength of the institution of the Clerks is that they combine the two elements. Every aspect of this House is subordinate to the work that the House does, which is supervised by the person who ensures that our procedures are fit for purpose.

I pay tribute to Sir Malcolm for the innovations that he has brought to the British constitution and for the way that he has strengthened this House throughout a very difficult period.

6.14 pm

Mr George Howarth (Knowsley) (Lab): As the hon. Member for Stone (Mr Cash) is leaving the Chamber, I want to say that I am very pleased that he has a new copy of "Erskine May". On our occasional bus journeys in the morning, I look forward to him to reading out what will no doubt by then be a heavily annotated version of his copy of "Erskine May" to the general enlightenment of myself and the other passengers on the bus. That volume will indeed be a continuing tribute to the Clerk of the House, Sir Malcolm Jack.

A great deal has been said about Sir Malcolm Jack and the public role that he has played in shaping the way that this House has operated in recent years. I certainly endorse all of that. The quality that he had was also, at the same time, an old-fashioned one, in that he was always available to provide very wise advice to any Member who wanted to use the procedures of the House for a good purpose. I am personally grateful to him for having done so on many occasions—in a quiet way, but guiding one through the procedures as they applied in the particular circumstances. I like to think that the wisdom and great scholarship that has been attested to is a testament to the time that he spent at Liverpool university; so many people who went to that university share those qualities.

Let me conclude by saying that I hope that he and his partner enjoy a long, happy and fulfilling retirement.

Question put and agreed to.

Resolved, nemine contradicente,

That Mr Speaker be requested to convey to Sir Malcolm Jack KCB, on his retirement from the office of Clerk of this House, the House's gratitude for his long and distinguished career, for his wise contribution to the development of the procedure of the House and to close understanding among the Parliaments of the Commonwealth, for his leadership and professionalism in the discharge of his duties as chief executive of the House, and for the courteous and helpful advice always given to individual honourable Members.

Alison Seabeck (Plymouth, Moor View) (Lab): On a point of order, Mr Speaker. I rise to seek your guidance on an incident that occurred in Westminster Hall earlier today. We were in the middle of a debate discussing poverty and housing dereliction, and the Minister, the hon. Member for Hazel Grove (Andrew Stunell), described the contributions of hon. Members as bringing sob stories to the debate. Interestingly, we queried it at the time. We have a *Hansard* copy of the debate in which the word "sob" has been removed. Clearly, that is very politically sensitive, because we felt that it was somewhat insulting. Is there any way, Mr Speaker, that you or your good offices could check whether we had misheard the Minister? Having watched back the video, I have to say that it does not look like he mispronounced any word. If so, how do we find out how that word was removed and who authorised its removal, because clearly the record would appear not to be factually correct?

Mr Speaker: I am grateful to the hon. Lady for her point of order. The reality, as some Members will be aware, is that the Editor of *Hansard* does have some discretion in the compilation of the *Official Report*, and marginal adjustments can be made, although ordinarily one does not expect adjustments to be made which change the meaning of what has been said. I think the safest thing that I can say to the hon. Lady on this occasion is that I will look into the matter and revert to her when I have done so.

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Sports Grounds Safety Authority Act 2011

Estates of Deceased Persons (Forfeiture Rule and Law of Succession) Act 2011

Wreck Removal Convention Act 2011

Police (Detention and Bail) Act 2011

Public Bodies Bill [*Lords*]

[Relevant documents: The Fifth Report from the Public Administration Select Committee, Smaller Government: Shrinking the Quango State, HC 537, and the Government response, Cm 8044.]

Second Reading

Mr Speaker: I inform the House that the amendment has been selected. To move Second Reading, I call the extremely patient Minister, Mr Francis Maude.

6.19 pm

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): I beg to move, That the Bill be now read a Second time.

It seems almost unseemly to move a Second Reading in the wake of the august tributes to the retiring Clerk of the House. It is actually quite appropriate, because many of the tributes to Sir Malcolm, which I heartily endorse, talked about his understanding of and commitment to the powers of this House. Central to those powers is the House's power and right to hold the Executive to account. That is essentially what the Bill is about. It will enlarge the scope of the state—the public realm—which this House and Parliament can hold to account, and reduce the scope of quangos and non-departmental public bodies and the range of public state entities that are not accountable to a democratic authority. That is long overdue. The Bill will put in place a mechanism that will enable this Government and future Governments to change the landscape of those bodies without the need for separate primary legislation whenever anything is sought to be done.

The public are right to expect a system in which Ministers are accountable for what the Government do and for how taxpayers' money is spent. For too long, there has been the proliferation of a complex network of public bodies, which has worked against that expectation by blurring the lines of accountability and disguising inefficiency and duplication in the delivery of public services. It is for that reason that last summer the Government conducted an intensive review of public bodies, which was stimulated and led by the Cabinet Office but conducted by the relevant Departments across Whitehall. It was the most comprehensive interrogation of the role of such bodies for decades.

We subjected each body to four tests. The first was existential and asked whether the body needed to exist and whether its functions needed to be carried out.

Joan Walley (Stoke-on-Trent North) (Lab): When the review was carried out, what environmental appraisal was there of the proposals?

Mr Maude: In conducting the reviews, the Departments will have considered the environmental implications. One example that I am about to refer to would have carried no environmental implications. Obviously, the Departments would have considered the environmental implications in every case. Before any action is taken under the powers in the Bill, there will be an opportunity for further detailed scrutiny.

The first question was whether the functions had to be carried out at all. In some cases, the answer was no. We decided fairly rapidly that the Government probably

did not need an independent non-departmental public body to deliberate on the purchase of wine for the Government. That is of course an important function that must be carried out properly, but there does not need to be an NDPB to do it.

Sir Alan Beith (Berwick-upon-Tweed) (LD): One body that is widely thought to be necessary and desirable is a chief coroner to provide leadership to the coronial profession. It would be possible to create that post without creating the kind of elaborate body that the Government are rightly anxious about by designating an existing coroner to have that leadership role with just a small amount of additional support.

Mr Maude: We rather agree with what my right hon. Friend says. There is concern that a whole new apparatus and bureaucracy should not be set up, with all the associated costs, which the previous Government's plans would have entailed. However, we understand the concern that not proceeding with the establishment of a chief coroner would look insensitive, and would perhaps be insensitive in the circumstances. I will say a word later about the detail of our plans in respect of that office.

Mr Kevan Jones (North Durham) (Lab): What has changed from when the Minister was in opposition, when he voted for the chief coroner and his party's Front-Benchers spoke in favour of it in Committee? The Minister spoke about cost and there is an issue about cost. Why has he not yet published what savings will be made by not having a chief coroner? If, as he recognises, certain functions have to be carried out in the Ministry of Justice, at what cost will those functions be carried out?

Mr Maude: It will cost very much less. The set-up costs for the office of the chief coroner, as planned under the Coroners and Justice Act 2009, would have been £10.9 million and there would have been running costs of £6.6 million a year. I will tell the hon. Gentleman exactly what has changed. A Government have come to office and inherited the biggest budget deficit in the developed world. We had to take urgent steps to control and eradicate the deficit. As a result of that, he will be glad to know, despite having a budget deficit roughly the same size as that of Greece, we now enjoy interest rates roughly the same as Germany's.

Mr Jones: The Conservative central office spin is wearing a bit thin. Will the Minister break down the costs? The other place was disputing the one-off set-up cost. Included in the so-called £6 million a year is nearly £1 million for contingency, which is 20% of the supposed running costs. Would it not help to justify his arguments if a detailed breakdown was printed, which the Ministry of Justice has signally failed to do and he has not done today?

Mr Maude: I will, of course, ensure that my right hon. and learned Friend the Lord Chancellor hears what the hon. Gentleman has said. There will be plenty of opportunities, such as at Question Time once a month, for the hon. Gentleman to ask those questions of Ministers at the Ministry of Justice.

Mr Jones: You don't know.

Mr Maude: Do I have every single detail about every single body contained in the proposals? No I do not. I can answer in detail on the bodies that are within the responsibility of the Cabinet Office. This is an enabling Bill, which will enable the House of Commons and the House of Lords to scrutinise the detail of the proposals in each case. There will be plenty of opportunity for that to be done in the case of the office of the chief coroner, because the Government will introduce amendments in Committee, where the issue can be explored in great detail. I am confident that all the questions that are springing up can be answered at that stage.

Mr Bob Ainsworth (Coventry North East) (Lab): The Minister is trying to evade collective responsibility for the decisions that the Government are taking. He is also ignoring the fact that there was widespread consultation on this matter and that it was supported by the Opposition. It was found that, almost without exception, nobody disagreed with this. This is far and away the cheapest and most effective way of getting consistency into the inquest service. The cost of the inconsistency is both human and monetary. The costs that the Minister talks about need to be offset against the costs of the judicial reviews that are brought regularly against the current system. He knows that this is the most preposterous U-turn. The suggestion that the coronial service should be accountable to this House is also a disgrace. It should be independent. It can therefore only answer to one of its own. That is why the creation of the office of chief coroner is so necessary.

Mr Maude: The office of chief coroner will be brought into existence. It will not be set up in the elaborate way and with the extensive additional costs embodied in the proposals of the previous Government. The office will exist. The functions, to the extent that they are needed, will be exercised in a way that is affordable in the current circumstances. If the right hon. Gentleman, for whom I have considerable respect, is really suggesting that we should spend this amount of extra money on this matter, he needs to tell the House what he would cut to enable that to happen.

Charlie Elphicke (Dover) (Con): Surely the concern is not just over the amazingly expensive offices that many quangos like to equip themselves with, but over the amount of pay that they receive. People at the UK Film Council get more than £150,000 a year, the British Waterways chief executive gets £230,000, and a similar amount goes to the chief executive of the Dover Harbour Board, dare I mention it? Surely we should ensure that the cost of each individual is reduced to a sensible amount.

Mr Maude: One of the benefits brought about by this Government is to make all that more transparent. We have exposed for scrutiny by the public and the House what those high salaries are, and it is right that we should do so. They may be completely justified in many cases, but they ought to be justified and scrutinised, so I make no apology for introducing that degree of transparency.

Helen Goodman (Bishop Auckland) (Lab): While the right hon. Gentleman is talking about salaries, perhaps he will address the abolition of the Agricultural Wages

[Helen Goodman]

Board, which protects the incomes of the poorest people in the countryside. Its abolition will mean that those workers lose more than £150 a week in sick pay straight away. How can he defend that?

Mr Maude: I justify it on the basis that the Government of the hon. Lady's party introduced a minimum wage, which was voted through by the House. The Agricultural Wages Board was introduced at a time when there was no national minimum wage. It now exists, and we take the view that an independent body with the AWB's powers no longer needs to exist.

Andrew George (St Ives) (LD): The point about the Agricultural Wages Board is not just that it pins down a minimum wage for agricultural workers but that there are six scales of pay and other protections for those workers, who have a very weak voice in the labour market. The Minister talks about transparency, but the rural voice will be lost unless transparent decisions are made in the Chamber about each of the bodies involved, including the Rural Advocate, who speaks up on behalf of the most vulnerable in rural communities.

Mr Maude: On the hon. Gentleman's point about the Rural Advocate, it seems to me that rural areas are very well represented in this House. It seems odd that a separate body should be created to be a rural advocate, because it seems to me that it is the duty of Members of Parliament to be the advocate for their constituents. There are many very effective advocates of rural residents and constituents.

The Department for Environment, Food and Rural Affairs proposes to consult on the AWB in the autumn. It will be part of a wider consultation package on the future of the agricultural wages committees and the agricultural dwelling house advisory committees.

Mr Sam Gyimah (East Surrey) (Con): I fear that the Minister is being led down the path of discussing every public body covered in the Bill. Is it not the case that the public bodies identified in the Government's review form a significant layer of state control, and one from which people can only feel distant? Bringing accountability to bear on that layer is the most important aspect of the Bill for him to focus on.

Mr Maude: My hon. Friend makes a very good point. These bodies are rarely discussed in the House, and that is part of the problem that we are seeking to deal with. Unless there is a compelling reason why a state function should be carried out by a body that is independent of any democratic accountability, the presumption should be that it is accountable. That is the test that we apply.

Rehman Chishti (Gillingham and Rainham) (Con) *rose—*

Mr Maude: I will give way to my hon. Friend, and then I will make progress. I am conscious that this is going to end up being a rather short debate on Second Reading of a large Bill, and I know that a lot of Members want to contribute.

Rehman Chishti: I am grateful to the Minister. Between 2007 and 2008, public sector organisations spent about £4 million on hiring political consultants to lobby Government, which is totally unacceptable. What steps are being taken to ensure that it does not happen again?

Mr Maude: The guidance has been tightened up considerably. Taxpayers find it quite offensive that a body that is not democratically accountable should use taxpayers' money, in some cases, to hire lobbyists to lobby Government to give it more taxpayers' money. We have taken urgent steps to ensure that that does not recur.

Alun Cairns (Vale of Glamorgan) (Con): Will my right hon. Friend give way?

Mr Maude: I will give way once more; then I really will need to make progress.

Alun Cairns: I am very grateful. I could not agree more with my right hon. Friend about lobbyists, but does he also accept the danger that many public bodies will start to employ internal lobbyists directly rather than commissioning and contracting them? That would also be a waste of money.

Mr Maude: My hon. Friend's point simply amplifies the case for the presumption that we are instituting in the Bill that there needs to be a really compelling case for a state function being carried out in a way that is not accountable. That is the purpose of the Bill.

Charlie Elphicke: Will my right hon. Friend give way on that point?

Mr Maude: My hon. Friend will forgive me, but I really do need to make progress. A great many Members wish to contribute to the debate.

Our first test of a body was the existential test—does its function need to be carried out at all? If, as in most cases, the body's functions were deemed necessary, we then sought to establish whether the functions should be carried out independently. We had three tests. If a body carries out a highly technical activity, if it is required to be politically impartial or if it needs to be able to act independently to establish or measure facts, it is right for it to remain outside direct ministerial or other democratic accountability. That is clearly the case with bodies such as the new Office for Budget Responsibility, Ofgem and many others.

Any body that does not meet any of those tests will either be brought back into a Department, where it can be held accountable to the House through a Minister, or devolved to local authorities. In both cases there will be democratic accountability. Or in some cases, a body's functions could be carried out outside the state altogether in the private or voluntary sector. We went through an extensive process to determine the outcome of the review.

The first task was simply to establish how many quangos there were and what they did. It may sound absurd, but it was and remains incredibly difficult to get firm information on that. Many do not publish accounts, there is no central list and there are many different types of quango with different statuses. The official list of

non-departmental public bodies contains 679 bodies, excluding those in Northern Ireland, but that does not include non-ministerial departments, Government-owned public corporations or trading funds. Our review covered 901 bodies, and we believe, but cannot be certain, that that is the true extent of the landscape. I stress that departmental executive agencies were not within the review's scope. They are directly controlled by Ministers, who are accountable to Parliament for what they do.

At the end of that review, I announced our proposals to the House on 14 October last year. They were that 481 of the bodies should be substantially reformed, including 192 abolished entirely and a further 118 merged. Since that announcement we have concluded consideration of a number of other bodies, and I can tell the House that the current total is that 495 bodies will be reformed, including 200 abolished and 120 others merged into 59 successor bodies. We have moved quickly to implement that programme, and I am pleased to tell the House that 45 bodies had been abolished by the end of April this year. Overall, we expect to make administrative savings—I stress that they are administrative—of £2.6 billion from public bodies over the spending review period. That money will be better spent on protecting public sector jobs and on front-line services.

Mr Kevan Jones *rose—*

Mr Maude: If the hon. Gentleman will forgive me, I am going to make progress. I have given way a great deal, and I do not want this speech to go on too long. I am sure that is a sentiment that the House will support.

I note that the previous Government's intention, set out in 2009, was to abolish 120 bodies, saving the conveniently round sum of £500 million. Yet in the six months following that announcement, they did not even manage to abolish half of them—a clear demonstration that, as ever, they had a better knack for the headline than for the hard work of implementing what had been promised.

Where public bodies have been retained, they will be subject to a process of rigorous triennial review, to ensure that they remain fit for purpose, that the need is there, and that the justification for them remaining independent is still valid. Far too often, bodies have been created and left well beyond the time when they are needed, partly because there has been no means to reform or disband them—any such change would have required primary legislation, time for which is, as we know, at a premium in the House.

The Government's response to the Select Committee on Public Administration report outlined the principles of that review process, and I look forward to giving further details to the House in due course. The review process for individual bodies will be led by the responsible Minister in each case, and co-ordinated and supported by the Cabinet Office.

The House will be aware that the Bill was brought from another place, where it has received substantial scrutiny, resulting in a number of important amendments. I thank noble Lords for their constructive engagement in this process, which has helped the Government to produce an even more coherent and well-structured Bill—it was fairly coherent and well-structured to begin with. I hope that it will command the support of this House and the confidence of the public. I pay particular tribute to my noble Friend Lord Taylor of Holbeach for his skilful stewardship of the Bill in the other place.

The Bill is centred on a series of order-making powers that enable Ministers to make changes to public bodies through secondary legislation, subject to the approval of Parliament. That mechanism creates a coherent and efficient procedure for reform, while properly giving Parliament the ability to scrutinise both the principle and the detail of the proposals.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Will the Minister give way?

Mr Maude: I will give way once, if the intervention is on scrutiny.

Mark Lazarowicz: Although there is no doubt nothing wrong with dealing with some of those bodies by order, can the right hon. Gentleman not understand the concerns many of us have about the fact that bodies such as the Office of Fair Trading and the Competition Commission can simply be merged by order, when there were hours, days or weeks of debate in the House, including in Committee, to set them up? Is not that a dangerous precedent for the Government to set?

Mr Maude: Powers to amend primary legislation by secondary legislation are not unprecedented. An amendment made in the other place, which the Government supported, will mean that either House can require an enhanced affirmative procedure. Such a procedure not only requires consultation before a draft order is laid, but allows a further period for reflection on, and analysis and scrutiny of, the proposal. It is reasonable to have a reasonably accelerated process for the reform of public bodies. Otherwise, we will end up in a position in which we have a wholly incoherent landscape of public bodies. I confess that even at the end of the process that we are currently proposing, that landscape will still be quite muddled, but it will at least have been cleared up to some extent.

Gavin Shuker (Luton South) (Lab/Co-op) *rose—*

Mr Maude: If the hon. Gentleman will forgive me, I will make progress.

Gavin Shuker *rose—*

Mr Maude: Oh, well, I give way to the hon. Gentleman's blandishments.

Gavin Shuker: Further to the point made by my hon. Friend the Member for Edinburgh North and Leith (Mark Lazarowicz) on the OFT and Competition Commission, is that not an odd state of affairs? There are reports that one of those bodies will take responsibility for NHS contracts worth more than £70 million, yet today we are discussing the changes to them abstract from Monitor's responsibilities.

Mr Maude: The functions will continue to exist, but there will be a rationalisation of the landscape of the bodies. A single competition authority will be created. A number of the consumer advocate functions will be given to citizens advice bureaux, which will strengthen their role and bring welcome additional funding to

[Mr Maude]

them—*[Interruption.]* I would hope that hon. Members welcomed the enhancement of the role of CABs that the Bill brings about.

The Bill provides an ability to make further changes as need arises in future. Each order-making power is limited in its application to those bodies that are listed in the relevant schedule to the Bill. Clause 1 creates a power for a Minister to abolish a body or office by order. Such an order may either abolish the body's functions if they are no longer required, or transfer some or all of them to another eligible party, such as a Government Department, a charity or another public body.

In some cases, an order under clause 1 will be motivated by the principle of accountability—that a Minister should be directly accountable for Government actions within their sphere of influence. For that reason, we propose to abolish the Child Maintenance and Enforcement Commission and to return its functions to the direct control of the Department for Work and Pensions. In other cases, a body will simply be abolished to halt unnecessary expenditure and duplication. For example, clause 1 will also be used to introduce orders to abolish the Valuation Tribunal Service, the functions of which can now be performed by Her Majesty's Courts and Tribunals Service, and which therefore no longer needs to be a separate entity, with its own overhead costs.

The next four clauses of the Bill create a complementary set of powers to merge groups of bodies, to modify constitutional or funding arrangements, or to modify or transfer a body's functions. The breadth of those powers is a reflection of the breadth of the Government's reform agenda. We aim to enhance the scope of civil society by the creation of a new waterways charity to replace British Waterways. Our agenda spreads to the modification of regulatory bodies such as Ofcom and the Equality and Human Rights Commission to ensure that they are fully focused on their vital regulatory functions.

In total, 294 bodies currently appear in the schedules to the Bill, demonstrating the importance of this measure to the reform agenda. Details of our proposals for each of those bodies are available in a document that has been placed in the House Library. I can assure the House that that document will be updated regularly throughout the passage of the Bill, and I hope it forms a valuable basis for debate in Committee.

In addition, the Bill creates specific powers for Welsh Assembly Ministers to take forward a number of changes to public bodies operating in Wales. Those will assist the Welsh Assembly Government as they seek to simplify their public bodies landscape and to deliver further savings, and I hope that those measures also enjoy the support of the House.

As I have indicated, the passage of the Bill through the Lords saw a number of modifications to the mechanisms of the Bill. The modifications tighten the purposes for which those powers can be used and ensure the appropriate balance between speed and scrutiny in the reform process. Those changes mean that the Bill that was introduced in this House strikes a carefully crafted balance. It will enable Ministers to make much-needed reforms to public bodies without recourse to specific primary legislation, an innovation that I believe will support efficient management of public bodies both now and in the future. Yet at the same time, the Bill requires Government to make the case for their proposals to stakeholders and to Parliament, guaranteeing that proper consideration is given to the exercise of important public functions.

I should tell the House that the Government intend to introduce a number of amendments in Committee. In particular, the House will be aware that following the written ministerial statement on 15 June by the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), who has responsibility for business and enterprise, the abolition of the regional development agencies will now be taken forward in primary legislation through the Bill. Abolishing the RDAs in the Bill will ensure that the Government can meet our timetable for the development of a new framework for regional growth, providing clarity and opportunity to businesses across the nation.

Similarly, we will seek to amend the Bill to modify the Broadcasting Act 1990 to revise the funding arrangements for S4C by removing the retail prices index link, while securing the channel's independent future status and delivering significant savings.

I can also inform the House that the Government will seek to reintroduce the office of the chief coroner and the Youth Justice Board to the Bill's schedules, overturning votes in the other place. As I said earlier, my right hon. and learned Friend the Lord Chancellor has listened to the concerns raised in relation to the important functions that those bodies are designed to carry out, and I believe that our revised proposals will gain wide support. We have agreed that the office of the chief coroner should remain on the statute book, and our amendments will propose adding it to schedule 5 to the Bill to enable some of its functions to be transferred to the Lord Chief Justice and the Lord Chancellor.

The Government will propose a number of more technical amendments to the Bill, including measures to clarify the requirements of the consultation process in clause 10, to ensure that any orders made under the Bill in relation to the funding arrangements of bodies or offices require the consent of the Treasury and to modify the list of taxes subject to variation in their provision as part of a transfer scheme made in connection with an order under the Bill.

The Government are committed to bringing about radical change in the administration of government in the UK—change that responds to the public's demand to place the principles of transparency, accountability and value for money at the centre of what the state does. Quango reform has been long promised by parties on both sides of the House and is long overdue, but we have now taken the difficult decisions necessary to make it possible and to make it happen. By enabling a comprehensive and overdue reconfiguration of the landscape and by creating a framework to support better management of public bodies in the future, the Bill gives the Government the essential tools with which to turn this commitment into reality. I commend it to the House.

6.51 pm

Tessa Jowell (Dulwich and West Norwood) (Lab): I beg to move,

That this House, while agreeing that there needs to be a constant reassessment of the role, effectiveness and relevance of public bodies, declines to give a second reading to the Public

Bodies Bill because it fails to provide a full and comprehensive plan for the reform of public bodies; regrets that Ministers have failed to properly cost reforms and identify savings, have failed to understand the important functions performed by some of the bodies affected by the Bill and therefore to provide for credible successor arrangements, have failed to consult properly on proposed reforms with the public and the bodies themselves, and have failed to undertake a proper impact assessment of each affected body; and considers that the overall effect of these failings has been that the House has been presented with legislative proposals which undermine the credibility of the proper processes of government.

It gives me great pleasure to move the reasoned amendment in my name and those of my right hon. and hon. Friends. I have listened closely to what the Minister has said. He was courteous and kind about the treatment of the Bill in another place, but to describe the scrutiny process in the terms he did was an understatement. In fact, the Bill, which in its original form gave him licence to meddle on an unprecedented scale in the affairs of bodies discharging functions on behalf of the public, was not just overhauled, but was mauled by the scrutiny of another place. Lord Woolf said that it was

"a matter of grave concern to the judiciary."—[*Official Report, House of Lords,* 9 November 2010; Vol. 722, c. 75.]

The Lords Constitution Committee said that it struck

"at the very heart of our constitutional system",

and Baroness Royall was not alone in saying that

"this is a bad Bill. It is badly thought out, badly structured, badly executed, bad for the constitution, bad for public bodies and bad for government."—[*Official Report, House of Lords,* 9 November 2010; Vol. 722, c. 68.]

I listened closely to what the Minister said were his intentions for the scrutiny of the Bill in the House, and I would like to put him on notice: we will fight with every available argument to ensure proper protection for the Youth Justice Board, which has led to such a dramatic fall in youth crime, and we will fight to honour and see implemented the commitment to the office of the chief coroner. The Minister can deploy a parliamentary majority to vote down the decisions taken in another place, but, as has been indicated already by my right hon. and hon. Friends, as well as other right hon. and hon. Members, he will not be able to defeat the argument in the country over the chief coroner—an argument supported eloquently by the Royal British Legion. I therefore hope that, with humility, he will take heed of the debate and judge it on its merits.

The original Bill, as published by the Tory-led coalition, planned to sell off our forests. I would like to pay the warmest tribute to the campaign so excellently and eloquently led by my hon. Friend the Member for Wakefield (Mary Creagh), which rightly saw a climbdown by the Government and brought together 600,000 people in a campaign against the sale of our national heritage. The original Bill also left 150 organisations in the organisational limbo of what was then schedule 7 of the Bill—sounds innocuous enough, does it not? But Channel 4 was listed, as were the Independent Police Complaints Commission, the Charity Commission, the Criminal Cases Review Commission and the independent Judicial Appointments Commission. All were placed in a schedule that would have left them open to being axed at the stroke of a Minister's pen.

The process of these reforms has been deeply flawed, and the Government still lack detailed plans for many of the bodies that they are seeking to change, merge or abolish. They have produced a Bill before a plan, rather than a plan before a Bill. Having said that—by way of introduction—of course we support the reform of public bodies and public services. Indeed, before the election, the previous Labour Government had put in place a programme to reform public bodies. That programme must be constant and continuing.

Nevertheless, these organisations carry out an enormous range of important public functions and play an important part in the life of the people of this country, providing support for our universities, our sports culture and the arts, standing up for vulnerable people, holding Governments to account, upholding minimum standards and helping to improve our public services. As the Institute for Government, of which I am a fellow—an unremunerated position—wrote,

"public bodies are now fundamental to the function of Government."

The needs of the country constantly change and our public bodies must change too, which is why every Government need constantly to reassess their role, effectiveness and relevance. We did that and the Government are doing the same. That is not the issue. When we came to power in 1997, there were almost 1,130 public bodies, and by the time of our 2009 review, we had cut their number to about 750—a reduction of almost one third.

Simon Kirby (Brighton, Kemptown) (Con): The right hon. Lady claims that her Government reduced the number of quangos, but actually spending went up in real terms by about 50%. How does she explain that?

Tessa Jowell: We ought to take into account the reduction of bodies at the Department of Health, link to that the significant reduction in the number of bodies announced by the Haskins review of Natural England and consider the systematic reduction in the number of other bodies, as well as the fact that some were merged and others increased their functions. However, in March 2010, we announced plans to go further and faster and to reduce the overall number of bodies by a further 123.

Mr Maude: Does the right hon. Lady accept that the biggest reduction in the number of public bodies came through their devolution to the Scottish and Welsh Governments?

Tessa Jowell: I do not necessarily accept that that was the largest reduction. However, devolution was one of the most significant policies introduced—and proudly so—by the Labour Government, and of course previously reserved powers were then devolved to the Scottish Parliament and the Welsh Assembly.

A 20% reduction would have saved £500 million from next year. The Minister jibbed at that, but we viewed the process of altering, closing down and merging public bodies as one that should take place systematically over time. Those £500 million of savings would have been realised by next year.

Mr Kevan Jones: Does my right hon. Friend agree that a lot of what is being proposed is window dressing, in the sense that even closing down bodies such as the Audit Commission will cost some £400 million in pension liabilities and winding up other assets? When we look at some of those organisations in detail, we see that the payback period might not come for, say, 10 years.

Tessa Jowell: My hon. Friend is obviously correct. I intend to make some progress now, but I will come to precisely that point in a little while.

We would have saved £500 million by 2012-13 as a result of planned and properly costed change and reform. We also accepted that there is scope for further reform. We agree that the Railway Heritage Committee should be reformed and that the National Endowment for Science, Technology and the Arts should enter the voluntary sector. We also support the reform of a number of other significant bodies. The problem is not with reform, nor is it with the tests that the Minister has set for that reform, as I will set out in a moment; the problem is with his ill-thought-out and rushed through Bill. There has been confusion about what the Minister's motives are. First he told us this week that the Bill was about, as he put it, "sound money"; later we were told that it was about underpinning good government. However, whether the issue is money or good government, the Government's proposals in this Bill are certainly not the answer.

The Government are asking the House to agree to the abolition of important bodies such as those raised by my hon. Friends in interventions—they include Consumer Focus, the Commission for Rural Communities and the Football Licensing Authority—but the right hon. Gentleman cannot yet tell us what he will put in their place. He has also claimed £30 billion in savings when the reality is that the Government will save £1.6 billion—or less, when redundancies have been paid for.

Andrew George: I hope that the right hon. Lady would agree that rather than trading figures for partisan purposes, we need to have a proper audit of what is going on. A moment ago she mentioned the Commission for Rural Communities. As that body is being brought in-house by the Department for Environment, Food and Rural Affairs—that is probably a sensible thing to do—we do not necessarily know whether that will be counted as a saving or whether the costs will be lost from the overall audit of what quangos cost the country. At the end of the day, however, the important point is the one that I made earlier. We need a rural advocate that is independent of all the partisan debate that we have in this place.

Tessa Jowell: The hon. Gentleman has set out the precise nature of the debate that will need to take place in Committee, because losing the independence and the advocacy role of a number of these significant bodies will harm the proper process of representing interests that often get too little hearing in this House.

Helen Goodman: Does my right hon. Friend agree that what is exposed by the abolition of the Agricultural Wages Board and the Commission for Rural Communities —as well as the proposals on forests, on which there had to be a U-turn—is an attitude of arrogance towards the countryside and the idea that it is not necessary to listen because the Government think that they know best?

Tessa Jowell: I certainly hope that the Minister will accept my invitation to rethink some of the Government's proposals and ensure that the Committee stage involves genuine and proper scrutiny of some of the compelling individual cases. I also hope that he will show proper respect and understanding, not for, as it were, the headline description of a clutch of quangos, but for the vital functions that many such bodies perform—as my hon. Friend has so clearly described—in protecting the quality of life for people across the country in a variety of different ways.

Oliver Heald (North East Hertfordshire) (Con): Will the right hon. Lady give way?

Tessa Jowell: If the hon. Gentleman does not mind, I am going to make some progress, as there are lots of Back Benchers who want to speak in this debate.

The approach that the Government have taken in this Bill is the opposite of the clear and costed plan that was produced by the last Government. They are abolishing and merging bodies, in some cases without any idea of what their functions are. Again, I hope that a greater understanding of those functions will result from further scrutiny. Even now, more than 10 months after the review of public bodies began, we are still in the dark over what the Government have planned for a number of the bodies in this Bill. A number of consultations have begun, but the Government are not even waiting for the results. Consultation was eventually promised on the regional development agencies, but it has now been withdrawn because it would disrupt the process of disassembling RDAs that is already under way. Today the Secretary of State for Justice has announced a public consultation on all the bodies that affect his Department, but this will report after the Bill has gone through Parliament. Therefore, the Minister here today is effectively asking this House to give its permission fundamentally to change or to abolish those bodies before his colleagues have decided what will be put in their place.

While the Government cut quangos in this Bill, they are adding hundreds of bodies elsewhere. Let us take the national health service. As a result of the Government's chaotic approach to the NHS, they have tripled the number of statutory bodies in the NHS, which now number 521. There will now be new shadow commissioning groups and authorised commissioning groups, primary care trust clusters, strategic health authority clusters, clinical networks and clinical senates, all of which will be overseen by the NHS commissioning board, which the chief executive of the NHS has described as

"the greatest quango in the sky".

The question that we now have to ask the Minister is whether, even with the passage of this Bill, he believes that there will be fewer public bodies in 2015 than when he first entered his Department. What is his baseline number and what will be the number of quangos in 2015? I am happy to give way to him if he wishes to speak at the Dispatch Box. Okay, the House will note the absence of an answer to that question. The Government do not even know how much money they are going to save. In an article in *The Sun*—the Minister's newspaper of choice for these purposes—in March, he claimed that the Government would save £30 billion in spending on quangos,

"so we can protect jobs and frontline services".

What he failed to mention was that the majority of those savings were from cuts to the very front-line services that he had pledged to save. Almost £25 billion are from cuts to housing and universities, with almost another £2 billion from our arts, our sports and our museums. Only £2.6 billion of the claimed savings were from actual administration, and even that figure has now come under scrutiny.

In written evidence submitted to the Public Administration Committee, the Minister's own Department admitted that only £1.6 billion of cumulative administrative savings can be found. Perhaps the Minister would like to explain to the House where the other £1 billion of administrative savings are likely to come from. *[Interruption.]* Again, the Minister appears not to know where the administrative savings will come from, and this is before the Government have even looked at redundancies, which are a major cost of any organisational transformation. The *Local Government Chronicle* has estimated that the bill for redundancies at the RDAs alone will cost the Government at least £100 million, yet the Department for Business, Innovation and Skills has not even estimated how much they will cost in this financial year. Information gathered from parliamentary answers shows that out of all the Departments affected, only two have so far made estimates of the likely costs of redundancies, neither of which is the Department headed by the Minister. The Minister should take this opportunity to admit to the House that he has no idea what the net savings will be from his reform of public bodies, and no idea of the cost of the redundancies. This deeply flawed Bill is part of a deeply flawed, ill-thought-out programme of reform that could well end up costing more money than it is projected to save.

Mr Maude: I want to make it absolutely clear, as I have done before, that these are cumulative administrative savings over the spending review period of £2.6 billion, and that they are net of restructuring costs—*[Interruption.]* That was made absolutely clear in March, in my response to the Select Committee. The right hon. Lady has lots of suggestions for what should not be done in the Bill; has she any suggestions for what should be done to reform the quango landscape?

Tessa Jowell: Yes, we certainly have. I should like to refer the right hon. Gentleman to the programme of reform that was clearly set out by the previous Government, on which I am sure full information is available in his Department. If not, I am happy to provide it for him. It involved £500 million-worth of savings by 2012-13.

Let me now turn to some of the specific bodies listed in the schedules to the Bill. When the Minister began this process of reform, he said that public bodies would be allowed to remain if they fulfilled one of three criteria—namely, if they performed a technical function, if they dealt with issues that required political impartiality or if they needed to act independently to establish facts. I should like to say to the Minister that those are good, rigorous tests of public bodies.

Let us apply those tests to the Agricultural Wages Board. If the Minister believes that we should preserve bodies that perform an important technical function, surely the board should be removed from the Bill, because it sets the pay of 140,000 people in England. That also covers holiday pay, sick pay and overtime. If the board is abolished, fruit pickers and farm workers will see their wages fall. Workers could lose between £150 and £265 a week in sick pay, because that would no longer be guaranteed. School-age children working at weekends or in summer jobs will also lose out. The Farmers Union of Wales has warned that

"unless there are systems in place to protect payments to agricultural workers, the industry will not attract the highly skilled technicians it needs to thrive."

I hope that the Minister will recognise that Labour is seeking to help him by today launching our "Back the Apple" campaign, which shows our commitment to fairness in the countryside and our backing for the Agricultural Wages Board. It is a precious asset that helps to ensure the decency of fair wages and to enable people working in the countryside get a fair deal.

Andrew George *rose—*

Tessa Jowell: Let me turn briefly to the Commission for Equality and Human Rights—

Andrew George *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. There should be only one person on their feet. If the shadow Minister does not wish to give way, the hon. Gentleman should recognise that fact.

Tessa Jowell: Thank you, Mr Deputy Speaker. The hon. Member for St Ives (Andrew George) did not catch my eye—

Andrew George *rose—*

Tessa Jowell: I must make some progress; I am sure that the hon. Gentleman will have a chance to speak later.

The Minister's second criterion for the preservation of bodies was that they should deal with issues that require political impartiality. The Commission for Equality and Human Rights is an example of one such body. It exists to break down inequality and to build opportunity and the type of society in which fairness and a life of dignity and respect are not merely an ideal but a fact. The commission's inclusion in schedules 3 and 5 to the Bill leaves it open to being rendered ineffective by having its constitution altered, or its functions amended or transferred. I ask the right hon. Gentleman to think again. Only a year ago, the coalition told us that it was going to "tear down" the barriers that people faced as a result of who they were, and that it would stand up for fundamental human freedoms. In defending the Commission for Equality and Human Rights, will he stand up for the fundamental human freedom that it represents?

The third type of body to be preserved under the Minister's tests are those that need to act independently to establish facts. Consumer Focus is an excellent example. It is the statutory consumer champion, and it has strong legislative powers.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): My right hon. Friend might not have been in the Chamber earlier this afternoon when the Secretary of State for Energy and Climate Change referred to the need for a strong consumer champion in the energy market, especially as there is effectively a cartel of six big energy companies. Given that the functions of Consumer Focus are effectively being transferred to Citizens Advice, does she acknowledge the concern that the work of those two bodies in protecting the consumer involves two very different skill sets?

Tessa Jowell: My hon. Friend is absolutely right. The combination of the regulatory responsibility of Consumer Focus and the voluntary responsibilities and representation involved in Citizens Advice's role is wholly inappropriate. I hope that the Minister will think again on that proposal as well.

[Tessa Jowell]

I want briefly to refer to S4C, which also remains in the Bill. S4C is vital to sustaining the Welsh language's prominence in Welsh culture and society. We therefore hope that the Minister will agree to the independent review of S4C for which the leaders of all four main parties in Wales have called.

I also want to deal briefly with the office of the chief coroner and the Youth Justice Board. I urge the Minister to stick to the settlement that was concluded in another place in this regard. As has already been mentioned, the introduction of the office of the chief coroner received cross-party support when it was legislated for in 2009. There is a desperate need to improve the coronial system, which fails too many families. Establishing such a system is also a central obligation under the military covenant. I hope that the Minister will heed carefully the words of Chris Simpkins, the director general of the Royal British Legion, who has said that he believes that

"this decision would be a deep betrayal of bereaved Service families. We anxiously await a response that will satisfy us that the interests of Service families will be represented."

Over the course of the last Parliament, the Youth Justice Board oversaw a 43% reduction in first-time youth offenders, by working with youth offending teams to focus on the causes of crime. In another place, Lord Woolf said:

"this initiative has been wholly salutary. It...gave new hope to all those who were concerned for this area of our justice system. The best test of the innovation is to ask, "Did it work?"...the balance sheet would show a huge improvement".—[*Official Report, House of Lords,* 28 March 2011; Vol. 726, c. 961.]

I hope that, during the Bill's progress through the House, the Minister will consider carefully the power of these arguments from people of the utmost distinction and sincerity.

In conclusion, let me reaffirm our support for reform, while stating that it needs to be planned, properly costed and undertaken on the basis of clear necessity and an understanding of the context in which these bodies operate. The way in which the Government have conducted this legislation to date has been an affront to decent process. I now call on Members of all parties, having properly considered the important role and function of many of the bodies that so clearly meet the Minister's test, to rebuild the shaken confidence in this legislation and support our reasoned amendment in the Lobby this evening.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. As many hon. Members want to catch my eye, I am reducing the time limit to six minutes.

7.20 pm

Stephen Mosley (City of Chester) (Con): For those of us who have kept an eye on the Public Bodies Bill as it made its turbulent six-month passage through the other place, today's Second Reading comes as a relief. We now have a Bill substantially different from the one originally proposed—a Bill much improved by the amendments tabled in the other place and supported by Ministers. We now have a Bill whose principles should be acceptable to all Members; a Bill that will shine the light of accountability and transparency on many parts of the extended public sector and that will deliver huge value-for-money savings for the hard-pressed taxpayer.

In the last 10 years, the cost of non-departmental public bodies, like much of our nation's spending, has spiralled out of control. Despite a steady reduction in the number of quangos since 1979, the cost to the public purse has almost continually increased, with annual Government funding doubling to £39 billion in the years since the turn of the millennium. This Bill will allow huge savings to be made—a cumulative saving of £30 billion over the spending review period, with estimated annual savings of at least £11 billion a year by 2014-15.

As highlighted by the shadow Minister and in the amendment, costs will occur when shedding such excessive waste, but the potential long-term benefits are so great that it is essential for the Government to push ahead and deliver the long-term efficiency and sustainability that this Bill will enable.

I am sure that all Members will join me in welcoming schedule 5, which transfers British Waterways' network in England and Wales to a new charitable trust. My constituency has a certain claim to the resurgence of our nation's waterways in the 20th century, for it was in Chester that Tom Rolt, the founding father of the Inland Waterways Association, was born in 1910. It is worth noting that since the middle of the last century, the Inland Waterways Association has itself been calling for a third sector model for running our nation's waterways.

The proposals from the Department for Environment, Food and Rural Affairs to create a new waterways charity, initially from the British Waterways Board, but eventually including the Environment Agency navigations in 2014, have been widely welcomed—but it is crucial that we get this right. Half the population lives within five miles of one of our canals and rivers, and 13 million people use them every year. These days, people do not use them only for boating or angling. In Chester, we have cycleways and safe green walkways into the city centre for shoppers and commuters. We have dog walkers and joggers, and canals and waterways are at the centre of economic regeneration in many of our urban areas.

There will still need to be public financial support for our waterways, especially after the inclusion of the Environment Agency navigations that have less commercial opportunities than British Waterways, and DEFRA will need to ensure that this support continues in future. Unlike many of the organisations facing change, British Waterways has welcomed these proposals, stating that

"by moving to a civil society organisation, British Waterways aims to increase the level of public and volunteer participation in the waterways and widen the network's supporter base"—

a sentiment and a proposal that I am sure we can all support.

Accountability and value for money are central to all areas of public service. That being so, I am heartened by the proposals formally to abolish the regional development agencies. In budgetary terms, my area's Northwest Regional Development Agency is the largest RDA outside London. In 2008-09, its budget was £421 million, and as of May last year, it employed 481 members of staff. Yet despite its huge budget and complement of staff, private enterprise has suffered proportionately more as a result of the recession in the north-west than in other regions of the UK.

Mark Tami (Alyn and Deeside) (Lab): Does the hon. Gentleman not accept that the whole Deeside hub area, which covers his seat and mine, is one of the most vibrant and growing manufacturing areas in the whole country? We have to build on that rather than undermine it.

Stephen Mosley: I totally agree, but one problem with the RDA is that it stops at England's border and has not looked over it. We have reached a situation in which there is almost a wall between Chester and north Wales. I hope that with local enterprise partnerships, we will have more local interaction so that there will be an improvement.

As I was saying, the north-west has suffered disproportionately more as a result of the recession than any other UK region and has seen the largest net decline in private enterprises in the country. Many of the private enterprises that should be powering the region forward have simply shut up shop—not a great success story for our regional development agency, and not something that I have seen splashed across one of its expensively produced glossy magazines, which seem to focus more on what it has spent than on what it has achieved.

Business sometimes needs support, especially at the start-up phase, but the remote, bureaucratic regional development agency model is not the most productive way of providing it. The replacement of RDAs by local enterprise partnerships—local, accountable and business-led organisations—is greatly to be welcomed.

I wholeheartedly welcome the proposals in the Bill. The one area on which I seek reassurance from the Minister relates to the proposed triennial review process of remaining public bodies. The Public Administration Committee made detailed criticisms of the five-yearly review process that existed until 2002. I would welcome an opportunity to examine the new triennial process and the criteria against which public bodies will be evaluated in future. As I have said before, I am enthusiastically supportive of the Bill, which is a continuation of the Government's relentless approach to localism, accountability, transparency and efficiency. I hope that all right hon. and hon. Members will support the principles that lie at the heart of the Bill.

7.27 pm

Susan Elan Jones (Clwyd South) (Lab): I wish to speak up for our one Welsh language television channel, S4C. I call for the provisions that affect it to be totally removed from the Bill. How did they come to be included? Was the plan for S4C's future the result of meticulous thought, planning and consultation? No. It was a backdoor deal between Ministers from the Department for Culture, Media and Sport, who declared that they had never actually seen the channel, but had a liking for Fireman Sam, and the BBC, on the eve of the comprehensive spending review. The BBC offered up S4C as a concession—an appetiser in the face of Government threats of much deeper cuts. This deal was the result.

The Government announced that they would slash direct funding by 94% and shoehorn S4C into a so-called "partnership" deal with the BBC, which would pick up some of the shortfall. The BBC has agreed to top up funding to 75% of previous levels until 2015; after that, S4C will have to pitch for funds and the BBC will be free to do what it wants, even though its own funding is guaranteed for much longer.

The Government have had to throw S4C into the Public Bodies Bill to get their plan through because S4C's funding is currently protected by law. S4C's status and funding were set in law in recognition of the crucial role that it plays in protecting and promoting a language classified as "vulnerable" by no less august a body than UNESCO—a language that has steadily disappeared from communities over the last 100 years and is now spoken by just over 20% of Welsh people, down from 60% at the dawn of the 20th century.

Welsh does have a future, however. Its use is now rising for the first time in living memory—precisely because of hard-fought initiatives like S4C. The cross-party Welsh Affairs Committee, of which I am a member under the august chairmanship of the hon. Member for Monmouth (David T. C. Davies)—I hope he will be a right hon. Member one day—stated in the plainest possible terms in its recent report that S4C has played a

"key part... in bolstering the everyday use of the Welsh language",

and concluded that S4C

"brought the Welsh language into many homes where it may not have been heard previously."

Helen Goodman: My hon. Friend is making an eloquent case in citing the private deals made by the Ministers in the Department for Culture, Media and Sport. Has she considered the possibility that they took account of the views of News International and the plurality issue?

Susan Elan Jones: They probably took as much account of those factors as they appear to have taken of everything else involving S4C.

Alun Cairns: May I return the hon. Lady to her point about funding? She claimed that S4C had suffered a 94% cut, but if we are to have a sensible debate about this important issue, should we not recognise the reality, which is that it will be subject to cuts of 6% per annum for the next four years? That is much better than what is happening to many other public sector departments, and should be sufficient for it to deliver its objectives. Does the hon. Lady regret the fact that over the last 13 years there has not been adequate scrutiny—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I believe that the hon. Gentleman hopes to catch my eye later. He cannot make his speech now.

Susan Elan Jones: The hon. Gentleman could have made a much better intervention about funding. If the intervention that he made was intended merely to back up his party's crib sheet, I do not think that that was very sensible. He could have pointed out that yesterday the Department said that it would remove the reference to S4C from schedule 4 and give it a clause of its own, but, unbelievably, no additional funds and no commitment to funding after 2015.

Paul Flynn (Newport West) (Lab): Will my hon. Friend give way?

Susan Elan Jones: I would love to, but I am conscious that from now on there is no more injury time.

The Select Committee concluded that

"S4C provides value for money."

[Susan Elan Jones]

This is no sweet little niche cultural project that is propped up out of the kindness of taxpayers' hearts. The channel is already cutting costs, and has overheads of only 4.5%, compared to 12% at the BBC. It is popular and well watched. According to the Select Committee, its

"share of the viewing audience during peak times"

is holding up "remarkably well", and viewing figures for key programmes compare favourably with those for their English language equivalents.

On top of all that, the channel supports 2,000 Welsh jobs and contributes £90 million to the Welsh economy. This is not an institution in desperate need of top-down reform. The Bill, however, will impose catastrophic changes that will not even comply with its own aims. Ministers talk the language of sustainability, but they refuse to guarantee S4C's future beyond 2015. They talk about accountability and transparency, but this move will take S4C's funding out of direct Government control and hand it over to an arm's-length body. They talk about maintaining S4C's independence—where have we heard about the independence of the media before?—but they have announced no change in the law on BBC Trust responsibility for every penny of the licence fee. The whole plan was drawn up on the back of an envelope by people with no knowledge of S4C or the language that it promotes, who wanted to cut costs without worrying about the consequences. S4C deserves better.

I am not saying that we cannot have a debate about improving S4C. Indeed, we appear to have been engaging in such a debate for the best part of the last year, and I think that that is right, as is the independent review. The first step, however, is to remove S4C from the Bill altogether. I will vote for its removal as soon as I get the chance, and I hope that the whole House will join me in doing so.

7.34 pm

Mr Mark Williams (Ceredigion) (LD): It is a pleasure to speak on a Bill that is a great improvement on the version originally presented in the House of Lords, although I do not think that the Minister quite conceded that.

Schedule 7, perhaps the most contentious part of the Bill, has gone, and there is much more restriction of Executive power. The Bill has been amended to require a statutory duty to consult on orders, the simple affirmative procedure has been replaced by an enhanced affirmative process whereby representations can be made to the Minister, and the Minister may re-lay an amended order if necessary. All bodies mentioned in the schedules are now subject to a five-year sunset clause, which means that authority to amend them is confined to the current Parliament and future Governments must either renew the legislation or pass their own. Notwithstanding the inevitable criticisms, this is not the same Bill that the House of Lords Delegated Powers and Regulatory Reform Committee said

"would grant to Ministers unacceptable discretion to rewrite the statute book, with inadequate parliamentary scrutiny of, and control over, the process."

Paul Flynn: Does my hon. Friend recall the Welsh proverb "Mae allwedd arian yn agor pob clo", which can be translated as "The key of money opens every lock"? It is both a suitable motto for the Murdoch empire and a warning that the money going to the BBC might be used to take over S4C.

Mr Williams: I am grateful to my hon. Friend for that quotation. I concur with the sentiment behind it, and I will say something about S4C in a moment. I also associate myself with the spirited defence of the channel presented by the hon. Member for Clwyd South (Susan Elan Jones).

The Bill still gives rise to concern on a number of grounds. We might expect that from a Bill that abolishes and reforms a significant number of public bodies, all of which will have their defenders—I shall defend two Welsh organisations later in my speech—but it is worth reflecting on the Government's reasons for proceeding with it. Under Governments of all parties there has been a huge increase in the number of public bodies in the past 30 or 40 years, and the present Government face the need to reduce the deficit. I was relieved to hear the word "accountability" from my right hon. Friend the Minister for the Cabinet Office as frequently as I did.

Robert Flello (Stoke-on-Trent South) (Lab): Will the hon. Gentleman give way?

Mr Williams: I have only four and a half minutes, but I will give way.

Robert Flello: I am most grateful to the hon. Gentleman. He talks of accountability. The bereavement and support charity INQUEST says that the Government's proposals to

"dismantle the office of the Chief Coroner"

will

"add yet another layer…to the…fragmented structure where lines of accountability are opaque and clear leadership is absent."

The charity believes that accountability will be reduced if responsibility is given to the Ministry of Justice.

Mr Williams: I am not sure whether the hon. Gentleman was present when my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) mentioned the office of the chief coroner. I refer him to my right hon. Friend's remarks.

I think we should remind ourselves of the consensus that exists. It is clear that setting about getting rid of a number of public bodies created by primary legislation raises significant challenges, and that the only way of making that achievable was to create a streamlined model. However, it is undoubtedly true that the Bill as originally presented was over-zealous. It was entirely unacceptable that the remaining bodies listed in schedule 7 could be added to other schedules by order. That is now rightly not the case, and the Bill is more suitable for the purpose for which it was intended.

I welcome the addition of clause 10, which creates a need to consult the person or office holder to which the proposal relates as well as persons

"representative of interests substantially affected by the proposal".

That, I believe, needs to be reinforced.

In my constituency in the west of Wales, 60% of residents speak Welsh as a first language. S4C and plurality in Welsh language broadcasting is vital, and concerns remain about the model currently proposed and the impact that it would have on, in particular, S4C's governance and independence. I do not start from a "no change" position. At a time when other broadcasting bodies face significant cuts, S4C cannot—and, for that matter, does not—expect to be treated differently from other broadcasters. It has shown a willingness to discuss a new model with the DCMS and the BBC, but fundamental differences remain between the BBC and S4C.

The two basic concerns relate to long-term funding and guarantees of funding after 2015, which has been partly addressed—I will qualify that later—by yesterday's written statement, and to S4C's remaining independent. Yesterday's written statement confirmed that an amendment would be introduced that would put in statute the level of funding for S4C that is required for it to meet its statutory remit as a Welsh language broadcaster. I await the text of the amendment, because it must pave the way for a formula set by the Government and not the BBC, providing parity with other broadcasting organisations.

It is also vital for S4C to remain financially and operationally independent, and not to be run by the BBC. The DCMS has made clear that it expects S4C to be independent, and has given a number of undertakings to guarantee that. It would be helpful if the Department also made abundantly clear that the BBC must not have its personnel in S4C's management team, and that S4C must remain in charge. Discussions are taking place to find a suitable model, but it is hard not to conclude that the Department for Culture, Media and Sport has put all its eggs in one basket in an attempt to meet the time frame for this Bill, instead of addressing fundamentally the challenges of supporting S4C in an age when digital services have led to an increasingly fragmented market and at a time of reduced public expenditure. This looks rushed, and it would surely be better to carry out a full review of how S4C should be constituted, with the aim of finding a long-term solution, whether that be a model of full funding from Westminster, a partnership model along the lines proposed currently, albeit with a stronger guarantee of independence, or even a channel funded by the Welsh Government in the event of broadcasting being devolved.

All four party leaders in Wales wrote to the Culture Secretary in support of such a review. The Select Committee on Welsh Affairs report on S4C stated that this haste was "regrettable", and the Select Committee on Culture, Media and Sport said that it found it

> "extraordinary that the Government and the BBC, which is fiercely protective of its own independence, should find it acceptable to agree a change in the funding and governance arrangements for another statutorily independent broadcaster, S4C, without the latter having any involvement, say or even knowledge of the deal until it has been done."

It strikes me that this is the respect agenda in reverse.

It is of great concern that very little consideration seems to have been given to a holistic way forward. On a matter as important as Welsh language broadcasting, that is obviously not good enough, and I would welcome it if the Minister provided an assessment of the current situation regarding negotiations over the future of S4C, and say whether the Government would consider removing the provisions relating to S4C until all the possible alternatives have been pursued. In the other place, a great deal of concern was expressed about Channel 4's inclusion in the Public Bodies Bill and the uncertainty that created. Channel 4 has now been removed from it, and I believe S4C should also be removed.

Members on the Government Benches have spoken about Citizens Advice and the new functions it would assume from Consumer Focus. Again, in Wales this issue is particularly pressing because the current structure of Citizens Advice does not lend itself to Welsh governance. There is a separate structure in Scotland, which allows for Scottish matters to be looked at differently, but that is not the case in Wales, where policy work is led from London. Consumer Focus Wales wants an amendment led by the Department for Business, Innovation and Skills to give Assembly Ministers the power to determine the structure they want—a power not to acquire new powers, but to determine a Welsh structure.

I have focused on the concerns that still exist, but I do not want that to detract from what is a necessary measure. The Bill represents a step forward, but there are considerable—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Time is up.

7.42 pm

Mr Bob Ainsworth (Coventry North East) (Lab): I shall confine my remarks to the proposed emasculation of the office of the chief coroner. In the three years during which I had the honour to serve as both Minister of State for the Armed Forces and then Secretary of State for Defence, a high priority for me and the entire ministerial team was to improve the service we gave to the bereaved of our fallen. We did so not to waste public money, but because it was absolutely necessary and absolutely deserved.

Our proposals were supported by Members on both sides of the House. We created the Defence Inquests Unit to examine, chase and dig out problems within the Ministry of Defence and the individual armed forces themselves, and to make certain that failings were reported to Ministers so that progress could be made. In partnership with the Royal British Legion, we created the defence advisory service, which has just completed its first year of operation and is highly respected by those who, sadly, have to use its services.

During the years I served as a Defence Minister, I read many transcripts and followed many inquests, and I have to say to the Government and the entire House that there are wide variations in both the manner and quality of coronial inquests. From time to time—too often, I am afraid—they let down our armed forces and the bereaved. I would single out for particular praise Mr Masters, the Trowbridge coroner, who was unsurpassable in his dedication and ability. He certainly exposed failings within the MOD with regard to the XV179 Hercules crash, when we lost 10 personnel. We also lost 14 in the XV230 Nimrod crash, and we had to employ the services of Mr Haddon-Cave to get to the bottom of the problems. That was not a waste of money; it was an absolute necessity that that inquiry was carried out.

Mr Kevan Jones: My right hon. Friend and I had dealings with some of the families of those who served in Afghanistan and Iraq. Does he agree that what they

[Mr Kevan Jones]

want are inquiries that are not only thorough but conducted in a timely fashion, and that they also want the role of the chief coroner to be independent of the Ministry of Justice, not part of it?

Mr Ainsworth: Independence is absolutely essential, and if inquests are not carried out in a timely fashion, but instead unnecessary delay is caused, that leads to huge distress. Most important, however, is the quality of the investigation, because when people have lost their loved ones they want to know that lessons are being learned and others will not unnecessarily be subject to the same error that caused their loved one to lose their life.

From my experiences in this area, this is what I would say, with the greatest of respect, to the Government: Ministers cannot advise or train or lead an independent coronial service. It is preposterous for the Government to suggest that the functions of the office of the chief coroner should be rolled into some ministerial committee. They will not con the Royal British Legion in that regard.

In the course of my responsibilities, I met many bereaved families, who went through their bereavement with great dignity and very ably dealt with the problems they faced. None were more impressive than Mr and Mrs Dicketts—Priscilla and Robert. Robert Dicketts spoke in this House a few months ago, and he recognised the improvements that had been made, but he also said:

"However, until there is a Chief Coroner, through whom good practice can be driven through the coronial system, it is likely bereaved Armed Forces families will have to go through a system which is often inconsistent and desperately in need of modernisation."

Sooner or later, Ministers will listen to the voice of the Royal British Legion and of people such as Robert Dicketts, and they will drop their proposal.

Robert Flello: As ever, my right hon. Friend is making a passionate and thoughtful speech. Would he like to comment on what Chris Simpkins, director general of the Royal British Legion, has written in today's *Daily Telegraph* in response to comments from the Ministry of Justice about the chief coroner not being justified financially in the current climate? He said:

"This feeble cost argument should fool no one."

Mr Ainsworth: I do not believe the cost argument would bear any scrutiny in any case, because I believe the creation of the office of the chief coroner will save money, not cost money, and that it will save heartache as well as money.

I have to say to Ministers that all their attempts in recent times to muddy the water in this regard and pretend that they have effectively dealt with the objections they have rightly received from those who seek to represent our armed forces and the bereaved will be of no avail and they will sooner or later surrender to the inevitable. They will do it this side of Remembrance day, and for their own sake they will do it sooner rather than later.

I say to the Government: remove this provision from the Bill; accept the setting up of the highly necessary office of the chief coroner; and honour the military covenant. That is what is required from this Government. It is also what both coalition parties agreed. The Deputy Leader of the House is sitting on the Government Front Bench, and he was suggesting earlier that this was not necessary and that the arguments in favour of the establishment of an office of chief coroner were spurious. That is not what he was saying in opposition and it is not what his party was saying in opposition. It is a disgrace that he has crossed the Floor of the House and changed his tone in the manner in which he has. Their own Back Benchers will force both parties to do this sooner or later, and the House of Lords will force them if that does not happen, but I say to them that they must remove this provision from the Bill and allow the establishment of the chief coroner. They will not get away with this.

7.50 pm

Glyn Davies (Montgomeryshire) (Con): Thank you, Mr Deputy Speaker, for calling me to speak in this important Second Reading debate. The Bill gives the Government of the day the power to set alight a bonfire of the quangos. Over recent decades, I have been involved in a few of these bonfires. I particularly recall one such bonfire in the early 1990s, when I was very much part of "quangoland" and I painfully ended up on top of one of the bonfires. I was heavily singed, but no real harm was done.

Another bonfire of the quangos that I was involved with was carried out by the Welsh Assembly Government a few years ago, when I was a Member of the National Assembly for Wales, and I wish to comment on how that was conducted in order to draw a comparison with the democratic and consultative excellence of the processes being followed here at Westminster. That bonfire represented a major change in the governance of Wales, as it included the abolition of the Welsh Development Agency and the Wales Tourist Board, among other bodies. No discussion took place on this; the First Minister simply addressed the Chamber on the last day before the summer recess and announced abolition, without warning, debate or discussion. The debate about the consequences of that bonfire is not for today, except to say that it highlights the way in which our democratic system works in the UK Parliament.

The Minister for the Cabinet Office put forward his proposals last October. They have since been significantly amended in the upper House by their lordships and they have been further amended by a written statement tabled only yesterday about S4C, prior to their being debated at great length by us in the Chamber today. I suggest that the Bill is far better for its amendment and it demonstrates just how effectively our second revising Chamber functions in its unamended form. I wish to say in passing how much I greatly enjoyed reading and learning from the powerful speeches made by Lord Wigley, Lord Roberts of Conwy and Lord Elystan-Morgan in the other place.

Non-departmental public bodies play an important role in our democratic system and the Bill does not challenge that principle. Its main purpose is to increase accountability and transparency, and to limit the role of public bodies to that which is needed for good governance. My right hon. Friend the Minister considered more than 900 of these public bodies currently in existence and applied the appropriate test of value to them before deciding on their future. It is important to recognise and to say that many of these public bodies are hugely

valuable to society, bringing private sector and voluntary sector expertise into the process of government and often facilitating much of what might be referred to as "the big society". The Bill is about identifying which public bodies bring value to the governance of the UK and which do not.

I particularly wish to refer, as many others have before, to Sianel Pedwar Cymru—S4C—which is one of the bodies mentioned in the Bill. S4C is a unique body that is of great importance to Wales. It is not just a TV channel; it is the cultural backbone of Wales and its success is inextricably linked to the recent success of the Welsh language. The long-term decline of the Welsh language has been halted over recent years, but without S4C that decline would resume. The Welsh language is fundamental to what makes Wales the proud and distinctive nation that it is.

I enjoyed what Lord Elystan-Morgan said about Welsh in the other place so much that I wish to quote from his speech. He said:

"A living language with a living literature is a jewel in the treasury of human culture, and the Welsh language no more and no less than any other living language is such a jewel. It is 1,500 years old and was in existence at least 500 years before the French language came into being. The French language came into being only at the end of the first millennium; up till then it was a patois of Latin. That shows something of the pedigree of the language that we are talking about."—[*Official Report, House of Lords,* 9 March 2011; Vol. 725, c. 1628.]

S4C is crucial to the language's cultural preservation.

I am pleased that the Secretary of State for Culture, Olympics, Media and Sport has recognised the concern expressed in the debate in the upper House, throughout Wales and in the Chamber today, and has removed S4C from schedule 4 to the Bill. That is a very welcome move but, as we realise from today's debate, there will be much discussion about the future of S4C and that has yet to be settled. We seek to ensure its operational and editorial independence in the long term, along with its long-term financial security. I look forward to taking an active part in the consultation that there will be on the governance arrangements for S4C over the next few months.

This Bill is hugely important, as it will ensure a greater level of accountability and transparency within our democratic system, and I look forward to seeing it passed into law.

7.56 pm

Mr Iain Wright (Hartlepool) (Lab): I wish to confine my remarks to the issue of the office of chief coroner. Successive reviews and inquiries over many years have highlighted the need for a chief coroner to oversee standards and handle appeals to deal with unsatisfactory decisions. There are currently no performance management procedures and no appraisals of the performance of individual coroners. There is no culture of mandatory continuing professional development, as there is in the medical, legal or accountancy professions; some coroners may choose simply not to undergo further training and development, and no one is there to pull them up about it. There seems to have been, certainly over the past couple of years, almost universal consensus that having the post of chief coroner would bring about real progress in raising standards, and would provide leadership, direction and a degree of accountability. It is disappointing that we do not have that consensus now.

The truth of the matter is that in my part of the world, the Teesside area, we need the coroner to improve and we need a much better service for families. For the best part of a decade, performance measures for the Teesside coroner have been significantly below the average for England and Wales. Eight years ago, the Teesside coroner, Mr Michael Sheffield, had a backlog of about 200 cases, and bereaved families had a wait of about 35 weeks—double the national average at the time—for an inquest to be completed. The then Lord Chancellor, Lord Falconer, responded to calls from local MPs of the time, such as Dari Taylor, the late and great Ashok Kumar, and Vera Baird, as well as from my hon. Friend the Member for Middlesbrough (Sir Stuart Bell), by launching an inquiry. Mr Sheffield claimed at the time that he welcomed an inquiry, stating, somewhat bizarrely:

"I hope that the terms of the inquiry will enable the cause of the backlog of inquests to be inquired into."

That raises the question: if the coroner himself did not know the reasons for the delays, why did he not know and how could others hold him accountable for that?

In the aftermath of the inquiry, performance measures for the Teesside coroner improved, but over the past few years they have grown steadily worse again. Last year, the average time taken in England and Wales to complete inquests was 27 weeks—just over six months—whereas the equivalent figure for the Teesside coroner's district was 43 weeks. The coroner's office took more than 12 months to complete inquests into 76 deaths—a quarter of all the deaths it investigated in 2010—and three quarters of all cases it investigated took more than six months to conclude.

By contrast, the coroner for my Hartlepool constituency —Hartlepool and Teesside have traditionally had separate judicial administrative arrangements, and long may that continue—was able to conclude inquests in a significantly better time scale than the national average. The average time that the Hartlepool coroner took to investigate deaths in 2010 was only 20 weeks, and no investigation took more than 12 months to conclude. The Hartlepool coroner has consistently over-performed in terms of the time taken to conclude inquests. Why is there such a difference? Why is the difference in performance so striking? Why does Hartlepool do so well compared with the national average, whereas the Teesside district lags so far behind?

Robert Flello: Does my hon. Friend think that taking such matters in-house in the Ministry of Justice, hiding them away so that they are the responsibility of some civil servant one week and of some department the next, will improve things and make them better?

Mr Wright: No, I think it will make them much worse. That sense of accountability, which we do not have at the moment, would arguably be lost for ever.

Is the contrast I just mentioned a question of resources, particularly at a time of local authority cuts? Is it a question of competency? Is it a question of needing additional training? We do not know, because the whole process is opaque and shrouded in mystery. In the modern age, that is not good enough. Why can families in Teesside who have suffered through the death of a

[Mr Iain Wright]

loved one not have some help and support and see the efficient and swift conclusion of the inquest? That is the very least that they deserve.

Mr Kevan Jones: Does my hon. Friend agree that because we will not have a chief coroner who can improve standards, we will get more appeals? The only way to go forward at the moment is a judicial review, so will the cost of dealing with such cases not increase rather than decrease?

Mr Wright: I absolutely agree. It will not be value for money for the public purse. There will be additional costs, and one of the virtues of a chief coroner's office would be to help provide an overview of work allocation. I think the establishment of a chief coroner could provide a more rational and therefore more efficient allocation of work, perhaps through the creation of specialist coroners who could provide specific expertise. We could save money and provide a better service for bereaved families.

It is impossible, or difficult at the very least, for Members of this House to hold coroners to account for their performance. I recently asked a parliamentary question to the Lord Chancellor about the grounds on which an individual holding the post of coroner can be removed from that office, only to be told by the Minister that the only ground for removal was personal misconduct or behaviour, but the Minister could not provide a definitive list of possible offences. The Lord Chancellor can remove a coroner only with the agreement of the Lord Chief Justice. There is simply no transparency in the matter and no criteria by which the House or the public can hold a local coroner to account and determine whether he or she is providing an unsatisfactory service and should be removed. In this day and age—particularly when, as we have heard from the Royal British Legion, servicemen and women are falling for our country—bereaved families in Teesside and elsewhere deserve better. They deserve greater clarity and transparency.

I have written to the Lord Chancellor about the matter of poor time scales in the Teesside district and I am awaiting a response, but let me reiterate in conclusion that families in Teesside deserve to see inquests into the deaths of loved ones concluded with sympathy, professionalism and swiftness. They are not getting that at the moment and are not being provided with an adequate explanation on why and how matters will be improved. The Bill does not help; in fact, it makes things worse.

8.2 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I am most grateful for the opportunity to speak at this stage in the debate.

The Bill is significant by any standards and represents the Government's plans to implement their reform of public bodies as a result of the review they carried out in the second half of last year. The Select Committee on Public Administration, which I chair, inquired into the review at the time and published a report last January. Somewhat to my surprise, the report was more controversial than I had anticipated, but I emphasise that it was unanimously agreed by all members of the Committee of all political parties.

We expressed concerns at the time about the way the review was conducted, and we have heard some of them in the Chamber this afternoon. We found that the tests determining whether a public body should be retained or reformed were poorly designed and not applied consistently, and that Ministers had failed to consult adequately about them. The Government have suggested that they intend to hold triennial reviews of non-departmental public bodies and I urge them to reconsider the tests to see how they can be reviewed.

The tests in the Bill are different from the tests applied in the review. I invite the Minister to explain why that is so. As the Minister for the Cabinet Office and Paymaster General pointed out earlier, there are effectively four tests in the review: the first is existential; the second is whether the body concerned carries out a highly technical activity; the third is whether it is required to be impartial; and the fourth is whether it needs to act independently to establish facts. That is a good stab at the tests required, but funnily enough those are not the tests in the Bill. Clause 8, entitled "Purpose and conditions", gives four tests: "efficiency"; "effectiveness", which is a very broad term and is not defined; "economy", which we presume means value for money; and

"securing appropriate accountability to Ministers".

Again, I do not know what "appropriate accountability" is, and these are very subjective tests to have in legislation.

Clause 8(2) suggests that any reform of a non-departmental public body should

"not remove any necessary protection",

whatever that means, and should not

"prevent any person from continuing to exercise any right or freedom",

which is quite specific and probably an important protection. In our report, we suggested in paragraph 23:

"There should be a single set of tests that covers: whether a function needs to be performed"—

the existential test—

"whether it is appropriate for it to be performed independently by a public body",

which is surely the impartiality test,

"and how it can be delivered most cost-effectively (value for money)."

I hope that that recommendation might be better reflected in the Bill. Perhaps the Parliamentary Secretary, Cabinet Office, the hon. Member for Ruislip, Northwood and Pinner (Mr Hurd), could address that later.

The Committee also considered the Government's claim that abolishing bodies and transferring their functions back to Departments would improve accountability, and I submit that the Government are applying a rather narrow test of what constitutes accountability. Of course, Ministers want to retain influence over decisions for which they are ultimately accountable, but our conclusion was that to focus exclusively on that traditional form of ministerial accountability ignores other ways in which bodies are held to account. In particular, we are all aware of how stakeholder groups and civil society play an important role in providing challenge and criticism to public bodies from day to day so long as they have a clearly identifiable focus for that challenge. I do not

wish to denigrate civil servants in any way, but a civil servant in a Department is a far more anonymous entity than a named public body. The Committee proposed that converting public bodies into executive agencies could ensure that Ministers remained responsible for clearly identifiable bodies within their departmental responsibilities without losing that public focus.

We also considered a number of other topics that we felt were important to make the reforms a success, including how Departments sponsor their public bodies and how the transition should be managed. The Government's response was somewhat critical of parts of our analysis, particularly the comments on cost savings, and I was glad to hear ministerial clarification earlier this year of how cost savings will be made. To the Government's credit, they accepted a number of our recommendations, including the conversion of some public bodies into executive agencies.

This is a controversial Bill, because we do not have an Armed Forces Minister or a Justice Minister at the Dispatch Box to answer all these problems. It is that shortcoming in the Bill that led the other place to make substantial amendments to it. It is much improved and much more acceptable and I shall certainly support it, but we could make improvements to ensure that these controversial changes to bodies that were, after all, brought into being through primary legislation are not simply ticked off by Ministers with a stroke of the pen.

8.8 pm

Paul Goggins (Wythenshawe and Sale East) (Lab): I have particular concerns about two bodies that were taken out of the Bill by the House of Lords but that the Government intend, as the Minister for the Cabinet Office and Paymaster General has suggested this afternoon, to put back into the Bill in Committee. I remain hopeful that Ministers are still listening and are prepared to change their minds.

The Youth Justice Board has brought leadership and coherence to a system that was deeply fragmented. The creation of youth offending teams has been very impressive, as has the reduction in the number of young people going into custody: a 30% reduction over the lifetime of the board. I would expect the Government to be interested in that if for no other reason than because it represents a saving, in relation to the places that have now been decommissioned, of £38 million a year. If the Youth Justice Board is abolished, that might lead to a saving of a few hundred thousand pounds, but if the Government lose their grip on the youth offending system, and particularly of youth custody, because the board is not in place to grip it, that could produce incredibly high costs in future.

I am also deeply worried about the Government's intention to dilute the office of the chief coroner. I hope that the House will forgive me for setting out the history so that Members and Ministers can appreciate the depth of betrayal that many individuals, families and organisations are feeling. In 2003, I was given ministerial responsibility for death certification and coroners' services. One of the first things I did in that role was to receive the report of the independent review of coroner services led by Tom Luce. He found that the system was outdated, inconsistent and unsympathetic to families, and he proposed fundamental reform. A little time later, the then Home Secretary and I received the third report of the Shipman inquiry, which was the product of painstaking work by Dame Janet Smith into the failure of the death certification system to identify and stop the murderous activities of Harold Shipman. Dame Janet concluded that coroners and the coroner service must be independent of Government and that it was simply unacceptable for the coroner service to be administered from within a Government Department. That conclusion is hugely relevant given what the Government now propose.

Jon Trickett (Hemsworth) (Lab): Does my right hon. Friend agree that quite frequently the Government may be judged as culpable in contributing to a death and that it is therefore bizarre that a member of the Cabinet—the Lord Chancellor—should have some responsibility for the coronial service?

Paul Goggins: My hon. Friend makes a very important point. In December, when this matter was debated in the other place, Lord Lester made the important point that unless there is a properly independent system of investigation of deaths, the Government cannot be confident about satisfying their article 2 obligations on the investigation of deaths. That is particularly relevant in relation to deaths in prison and police custody.

In March 2004, I set out proposals for reform in which the bereaved and their families were to be placed at the heart of the system. Ministers should be reminded of the importance of putting those people at the heart of the system. Under the proposals, a chief coroner was to be appointed with complete judicial independence to lead a streamlined and modernised service, to ensure training and high standards and to carry responsibility for undertaking appeals and presiding over more complex inquests. Eventually, the Coroners and Justice Act 2009 enacted those proposals. I pay tribute to Bridget Prentice—a good friend and very able Minister—who with characteristic energy and determination turned the countless words of the public inquiries, reviews and consultations into legislation, which was passed with the support of all parties in the House, including those that now turn their backs on it.

The need for a chief coroner is even greater now, with inquests becoming ever more complex and high profile. Only recently, we have had the Tomlinson and 7/7 inquests—cases in point. Another change since 2003, which my right hon. Friend the Member for Coventry North East (Mr Ainsworth) referred to in his very powerful speech, has been the experience of bereaved families of the servicemen and women killed in Iraq and Afghanistan. Their experience screams out for a system that is sympathetic, that understands the circumstances they face and that has their confidence.

The Government's arguments about costs do not hold water and cannot be justified. Ministers should not simply accept the figures in the impact assessment but should challenge them. There is not one Member of this House who does not believe that the set-up and running costs of the office of the chief coroner could not be reduced. It is the business of Ministers to get those costs down, not to hide behind what was in the impact assessment. Of course, they are not counting the costs of failing to implement the reforms that were agreed in the last Parliament, such as the £500,000 or more that is spent every year on judicial reviews—not to mention the costs that will be incurred by transferring some of the functions of the office of the chief coroner

[Paul Goggins]

to the Lord Chief Justice. Those matters will still need to be overseen by judges, and judges do not come for nothing—they cost money. Those costs still are not being counted.

Mr Kevan Jones: Is it not remarkable that although the Government have announced that they will transfer the powers of the chief coroner to the Ministry of Justice and others, they have not yet laid out what that will cost to administer?

Paul Goggins: I agree entirely with my hon. Friend. It really is a shabby case. The Government are relying on old figures, which have not been challenged, and bringing forward proposals that have absolutely no work behind them whatever. My hon. Friend makes an important and powerful point.

In failing to follow through on these reforms, the Government are not considering the human and health costs that will be incurred by our not learning the lessons of unfortunate and tragic deaths—information that could help to prevent deaths in future. Ministers have no proposals to monitor timeliness or to introduce an appeals system. Other hon. Members have made the point about the importance of that issue.

What the Government are doing to the office of the chief coroner is a betrayal. If they proceed with this reform they will be turning their back on six or seven years' worth of patient consultation and policy development, which led to legislation that was agreed by all parties in the House. They will be turning their back on Tom Luce, Dame Janet Smith, the families of the victims of Harold Shipman and the bereaved families of the service personnel who have lost their lives in Iraq and Afghanistan. They will be turning their back on many vulnerable people who have had to pick their way through our outdated coronial system. But the Government still have a chance: they have the rest of this evening and Committee proceedings finally to do the right thing and drop these proposals.

8.17 pm

Alun Cairns (Vale of Glamorgan) (Con): Thank you for giving me the opportunity to contribute to this debate, Mr Deputy Speaker. Although, as been said, the Bill is a piece of enabling legislation, it goes to the heart of the Government and their objectives. It will enable Ministers to make the necessary changes to reform public services and bring organisations to democratic accountability, and it paves the way to bring significant savings.

It is ironic that the Bill is being opposed by the Labour party. In his memoirs, Tony Blair made several references to having regretted the delays in reforming public services during the early years of his government. There are several quotes that I could mention, but it is worth highlighting his thoughts about his previous comments that it was not complex institutional structures but outcomes that mattered. He said:

> "Unfortunately, as I began to realise when experience started to shape our thinking, it was bunkum....How a service is configured affects outcomes."

It is also worth noting that much of his frustration related to the time and delay involved in making reforms. This Bill would have met Mr Blair's calls in hindsight.

John McDonnell (Hayes and Harlington) (Lab): We're all Blairites now, are we?

Alun Cairns: I will give way to the hon. Gentleman if he wishes.

It is unlikely that Mr Blair and I would agree on the nature of reforms, but this legislation paves the way for Ministers to make necessary changes with appropriate scrutiny—without the delay that Mr Blair talked about—by giving them the mechanisms to do so. I am sure that hon. Members will have a soft spot for one or two of the bodies listed in the schedules, despite wanting to see the reform of such public bodies. We might even be drawn into trying to defend those institutions. Such an approach would be fair if schedule 7 of the original Bill remained and if the amendments made in the other place had not been accepted by Ministers. To give the Government credit, they have sought to listen to concerns and have accepted the threat that schedule 7 posed to lack of scrutiny. However, there must always be a balance between the Government having their way and the opportunity for appropriate scrutiny. The original schedule 7 did not necessarily achieve the equilibrium that we are looking for; I am pleased that it has been removed.

It is hard to believe that the quango state had grown to 901 bodies under the previous Administration. In their desire to manage controversies, a new agency would often be established to show that something was being done. Some might even argue that the agencies were useful bodies to which to retire former colleagues. The case for winding up or reorganising their numbers and purposes is overwhelming.

Mr Kevan Jones: I agree with the hon. Gentleman, but the worst culprit for packing quangos was the previous Conservative Government. If he cares to do his homework, he will find that one quango we invented, with which I have had a few run-ins, is the independent Appointments Commission. It took out of politicians' hands altogether the appointment of people to quango boards.

Alun Cairns: I am grateful to the hon. Gentleman for his intervention, but it was the previous Conservative Government who cleaned up the appointments process to ensure that there was transparency in selection. I point to the Independent Parliamentary Standards Authority as one of the worst examples of a Government merely reacting to public concerns without thinking through the consequences in a proper, deliberate way; it has given rise to many complaints from this House, and there is also the issue of the additional costs of that agency.

Mr Jones: If the hon. Gentleman will cite examples, I wish he would do his homework. IPSA was supported by Members in all parts of the House; the strongest advocate for it was the current Prime Minister.

Alun Cairns: I am grateful for the hon. Gentleman's intervention, and I accept the point about all-party support, but the point is the knee-jerk reaction of the Prime Minister of the day, who took the decision without providing for appropriate scrutiny. The proposal was rushed through the House without the then Opposition having an opportunity to make their case. I need to make progress, because of the time. I want to come on to some of the points made earlier.

A word of caution: merely merging individual bodies with a Government Department is not necessarily the right thing to do. There must be reform and enhancement. I am grateful to my right hon. Friend the Minister for the Cabinet Office and Paymaster General for talking about the need for reform when he opened the debate. I speak from experience of the so-called bonfire of the quangos in Wales some years ago. For purely political reasons, the Welsh Assembly Government abolished the Welsh Development Agency and the Wales Tourist Board, among many other organisations. That was welcomed by Labour, Plaid Cymru and Liberal Democrat politicians at the time. The claim was that there would be better democratic accountability, but the reality was very different. Simply merging the organisations without reform meant that agency staff became civil servants, and the expertise gained over many years was stifled by the bureaucracy of the civil service. Those events started almost seven years ago to this day, and those very people who were the strongest cheerleaders for the winding up of those bodies are now calling for their re-establishment.

I am certainly not opposed to the lists in the schedules, or to the need for Ministers to reform and reorganise. I strongly agree with the objectives of the legislation, but caution against winding up for winding up's sake. I would also underline the need to make reform part of the process. There must be a wider reforming agenda to improve services.

In the final couple of minutes available to me, I want to talk about S4C. The hon. Member for Clwyd South (Susan Elan Jones) made a pretty disingenuous contribution. To talk about a 96% cut to funding certainly is not accurate. S4C will receive a 6% funding cut per annum over the next four years. That is very different from the sort of figures that she talked about. Furthermore, all the demands made by supporters of S4C have been met by the Secretary of State for Culture, Olympics, Media and Sport. I shall go through the primary ones in turn. The first was about the importance of long-term funding. I was delighted that in the written ministerial statement published on Monday, the Government said:

> "The Government are committed to ensuring that S4C will be funded at a level sufficient to ensure that it can fulfil its statutory remit and we intend to put this expectation on the statute book so that it is a legal requirement."—[*Official Report*, 11 July 2011; Vol. 531, c. 2-3 WS.]

Certainly, that issue has been resolved.

Secondly, the need for independence, both operational and editorial, has been accepted by the Secretary of State for Wales. Thirdly, on the issue of the arrangements with the BBC, of course the provisions have to be in the Bill to secure the very independence that we have been talking about, and the long-term funding arrangements for which everyone has called. Those who are critical on the subject of S4C, and the strongest champions of the channel, are not equally critical when it comes to Radio Cymru, for which the BBC is also responsible, so there is significant inconsistency in the argument that is made.

Finally, it is ironic that the retail prices index link was part of the fault. Many S4C Authority members have shown arrogance over the past year; they felt that they had the right to do things irrespective of the attitude of viewers, whose numbers have been falling for the past five years or more. It is time to act, and I am delighted that the Government are doing so.

8.25 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I want to concentrate on the very worrying impact that the Bill will have on S4C, an institution of paramount importance to my country. I regret to say that I have a slightly different opinion from the hon. Member for Vale of Glamorgan (Alun Cairns). There is no doubt that the UK Government have dealt with the issue in a haphazard manner. They clearly failed to understand the importance of S4C to Wales. Twenty-four bodies from Welsh civil society have written to the UK Government, asking them to change their plans; thousands of people have protested on the streets; and hon. Members from Wales have had countless pieces of correspondence from concerned constituents.

The position of my party is that S4C should not be included in the Bill at all, and that the arrangements should be dealt with in a future broadcasting Bill, following an independent review. That was the position of all four political parties in the National Assembly for Wales, including the Conservatives and Liberal Democrats. Even at this late stage, that would be our preferred outcome. However, we are where we are, and I will endeavour to attempt to improve the Bill before us, as will my hon. Friend the Member for Arfon (Hywel Williams) in Committee.

Ministers will be aware that the Select Committee on Welsh Affairs undertook a detailed investigation into S4C. It is right and proper that I pay tribute to the Chair of the Committee, the hon. Member for Monmouth (David T. C. Davies), who managed to produce a report on which there is substantial consensus across all four parties on the Committee. We await the Department's reply, but I would like to concentrate on the issues that are of critical importance. S4C will face substantial cuts to its budget over the spending review period. If my sums are correct, the Department has managed to reduce its liability by more than 90%.

Alun Cairns: Will the hon. Gentleman give way?

Jonathan Edwards: I will answer the hon. Gentleman's question before he asks it: S4C's funding will fall from around £100 million this year to £83 million by 2014-15; £76 million of that will come from the BBC, and £7 million from the Department.

Alun Cairns: I am grateful to the hon. Gentleman for giving way, but does he not accept that the outcome leaves S4C in a pretty strong position, financially? It will receive a 6% cut over each of the next four years, which is a much lesser cut than those to most spending Departments across Government. Furthermore, independent television producers have welcomed the outcome, saying that the cuts are certainly achievable, within the sums in question.

Jonathan Edwards: I am grateful for that intervention, and the hon. Gentleman leads me on to my next point, which is about one of the key recommendations of the Welsh Affairs Committee report. I would like the Government, as part of the Bill—and the future funding formula for S4C, which was announced yesterday—to state clearly that cuts will be comparable to those for other public service broadcasters. That would appease many in Wales.

[Jonathan Edwards]

The Select Committee report also called on the UK Government to safeguard the funding for the channel beyond 2014-15. We argued that without long-term certainty of funding, the channel would not be able to plan its future commissioning strategy. We called for a long-term funding formula enacted in primary legislation. I therefore welcome the written statement yesterday as a positive step forward. The devil will be in the detail, but my colleagues and I look forward to working constructively to build on yesterday's announcement, which in our view would have to be based on some sort of calculation inflation.

As a party we have major concerns that S4C will mostly be dependent on funding via the licence fee. Our preference would be for a direct funding stream. If the Department is intent on funding S4C via the BBC, the licence fee should be top-sliced. As my right hon. friend Lord Wigley said during the passage of the Bill in the other place:

"He who pays the piper calls the tune."—[*Official Report, House of Lords,* 28 March 2011; Vol. 726, c. 1005.]

If S4C does not have total control over its own budget, its financial independence will be shot to pieces.

Ministers might be aware that the Broadcasting Entertainment Cinematograph and Theatre Union, the National Union of Journalists, the Writers Guild of Great Britain, Equity, the Musicians Union, and Cymdeithas yr Iaith Gymraeg have all jointly called for the resources available to S4C to be increased by raising a levy on private broadcasters, drawing on best practice in other countries.

Guto Bebb (Aberconwy) (Con): The hon. Gentleman mentions the need for funding to be raised from other broadcasters. Does he accept that the Select Committee report indicated that the Welsh Assembly could play a part? The Welsh Assembly claims that it wants the channel to be accountable to it, yet it is not willing to put any money into the pot.

Jonathan Edwards: I am grateful for that intervention and I look forward to the day when broadcasting is devolved to the Welsh Government. In light of events of recent weeks, I expected support from across the House for the innovative idea of a levy on private broadcasters to support public service broadcasting in the UK. I hope Ministers are actively pursuing the idea.

That brings me to operational independence. The Committee called for assurances that operationally there would be no role for the BBC in the day-to-day management of S4C. I for one cannot see how anyone can claim that S4C is an independent broadcaster if it has personnel from another channel running its day-to-day affairs. I hope the Department will make a clear statement on the issue as the Bill progresses.

The ability of a public service broadcaster to hold Government to account is essential if it is to retain the confidence of its audience. Therefore we view the inclusion of S4C in schedule 3 as particularly worrying. The schedule enables the Department to make significant changes to the management and organisation of S4C without recourse to primary legislation.

I shall deal briefly with other consequences of the Bill for Wales. Much of the rest of the Bill refers to powers over environmental bodies being devolved to Wales. These bodies are listed in clause 13 as being the Welsh devolved functions of the Countryside Council for Wales, the Environment Agency, the Forestry Commissioners and Welsh flood and coastal committees. I seek clarification of clause 18 and the requirement of consent from UK Ministers. How is this to be operated, and in what situations do Ministers expect this to take place? I am also confused by the reference to the Secretary of State in clause 20(11). Does this mean that any order made by Welsh Ministers will be subject to a veto by the Houses of Parliament? That would clearly go against the result of the referendum in March. We will test these clauses in greater detail in Committee.

Finally, on consumer advocacy in Wales, the Bill proposes that Consumer Focus be abolished and its functions transferred to Citizens Advice in Wales and England. There is broad support for distinct consumer advocacy for Wales. There seems to be strong support among key stakeholders for advice and advocacy in Wales being brought under one body. I am glad that the UK Government have stated that they are open to making different provisions for Wales and Scotland following discussions with the devolved Administrations. I understand that current consumer bodies such as the CAB movement in Wales are adapting their governance structures in light of anticipated changes, and I urge the Department to work closely with Welsh Government Ministers and stakeholders to develop a solution that is client focused and best able to respond to the needs of the Welsh people.

8.33 pm

Elizabeth Truss (South West Norfolk) (Con): It is more than 50 years since the term "quango" was first coined in the United States, during which time a rising number of such bodies have emerged from Government. As some of them have served their purpose, they lie in the governmental universe like abandoned satellites and pieces of space debris that no one can quite manage to get rid of.

David T. C. Davies (Monmouth) (Con): Will my hon. Friend join me in saying that Governments of left and right over the past few years have called for an end to the quango state? One hopes, therefore, that Members in all parts of the House will give their utmost support to the Bill, which will allow us to get rid of some of the space debris that is no longer required.

Elizabeth Truss: I entirely agree with my hon. Friend. I also agree with my hon. Friend the Member for Vale of Glamorgan (Alun Cairns), who said that such bodies are often set up because Government believe that something ought to be done and to give some plausible deniability to difficult and controversial decisions that the Government do not want to own. It is only right that we should make it easier to get rid of bodies that no longer serve their purpose and that lie in a twilight zone, subject neither to proper democratic accountability nor to the rigours of the market, with consumers having no choice on whether to use them.

Quango chiefs are often paid more than senior civil servants. The chief executive of Partnerships for Schools is paid £215,000 a year for the botched job that was

Building Schools for the Future, the chief executive of the Higher Education Funding Council is paid £230,000 a year for administering university places, and the chief executive of the London Probation Trust is paid £240,000 a year. There are other bodies that rely heavily on Government funds but are not actually quangos, and their chief executives and directors general can command even higher salaries. For example, the director-general of the BBC is paid £615,000, the vice chancellor of Birmingham university is paid £390,000 and Network Rail's chief executive, whose new salary we do not know, was previously paid £1.25 million, even though that relied mainly on income streams that come from the Government.

Gavin Shuker: Of the six bodies that the hon. Lady has just mentioned, will she explain which are in the Bill?

Elizabeth Truss: The point I am making is that we have a huge universe out there, which this Bill seeks to address. We are seeking to reduce the number of bodies and make them more accountable. My speech is about the importance of accountability, which the Bill lays out.

I believe that organisations and people that take real risks and put their homes and businesses on the line deserve real rewards and to make a profit. That is what motivates people in our economy and helps allocate resources. It is the invisible hand that has served this country well over generations. I think that we need more honest profit in this country, as that is what will get us out of the hole we are in. We will not get out of that hole by spending more money on bodies for which the rewards are many, but the risks are few. My complaint about executives in the twilight zone is that they do not risk their own money and instead have a technocratic role. I think that their maximum pay should be that of a senior civil servant, and the most senior civil servant in the Home Office is paid £200,000. Private companies in competitive markets carry out research, investigate their customer loyalty and try to get people to buy their products. They have a real market and real consumers to respond to.

I am pleased to see the Bill go ahead. We are finally seeing the bonfire of the quangos that the previous Prime Minister and those before him talked about. It is of course difficult to make these things happen, so I am pleased that the Government have persisted. I want to talk about two late and lamented quangos that will disappear, the Legal Services Commission and the Qualifications and Curriculum Development Agency. The Legal Services Commission presides over one of the most expensive legal aid systems in the world, costing £120 million. It was attacked by the National Audit Office for failing to hold lawyers to account and by lawyers for not understanding what they do.

The QCDA presided over some of the worst-quality exams in this country and an incoherent curriculum. Of its eight board members, only one has been a teacher and none has higher education experience. The rest were professional quangocrats who created such abominations as the A-level in the use of mathematics, which was of a far lower standard than the actual mathematics A-level, and the pick and mix of modular qualifications that has been developed in this country. We should compare the QCDA's approach with what the Department for Education is now doing on the curriculum review: having public discussions, making the decisions publicly accountable and being open to scrutiny and accountable to Back Benchers during Education questions. That is far preferable to those decisions being taken behind closed doors in a quango. Ministers can be lobbied and the finances of the organisations can be scrutinised, and we do not hear this nonsense about commercial confidentiality.

Too many bodies have been making decisions that do not have due regard for electors or consumers. These organisations have little incentive to save money, and they have high rewards where the job is essentially technocratic. We should have a system where no public money is spent without proper accountability and there are no excessive rewards without taking a risk. This Bill is the right step forward in reducing the size of the twilight zone that has been created in British politics. I hope that the Government use this opportunity to bring even more of the space debris out of the twilight zone and into the sunlight.

8.40 pm

Mr Kevan Jones (North Durham) (Lab): I rise to return to an issue that has been raised—the role of the chief coroner. Like my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), I congratulate Bridget Prentice, who steered the legislation through when she was the Minister responsible,. She did a fantastic job and deserves credit for it. The chief coroner's office was going to be created to improve national standards and to monitor compliance with what is, as we have heard, an archaic and shambolic system. It would also have introduced the role of medical examiners, who would be able to scrutinise medical certificates, and ensured, for the first time, a bespoke appeals system to save people the lengthy expense of going through judicial reviews.

As my right hon. Friend the Member for Wythenshawe and Sale East said, it is important to state how we got to this point—it was not by accident. He referred to the Luce review, which reported on death certificates and improvements in the service. He also mentioned the very important Shipman inquiry chaired by Dame Janet Smith. If we agree to what the Government propose in their amendments to take out what the Lords put into the Bill, we will go against Dame Janet Smith's recommendation, as stated on page 492 of the report:

> "The body which is to provide that leadership and support must be seen to be independent of Government. In my view, it would no longer be satisfactory for the coroner service to be administered from within a Government Department."

However, that is what is being proposed in place of the chief coroner, and that is not acceptable.

The Government have changed their position. Today I looked at the *Hansard* report of the debate on the Second Reading of the Coroners and Justice Bill in 2009, when the current Attorney-General said:

> "We agree that reform of the coroners' system is long overdue."—[*Official Report*, 26 January 2009; Vol. 487, c. 46.]

The hon. Member for Old Bexley and Sidcup (James Brokenshire), who was then the Member for Hornchurch, said:

> "We all welcome the establishment of the chief coroner"

[Mr Kevan Jones]

and

"the modernisation of the coroner's powers of...investigation".—[*Official Report*, 26 January 2009; Vol. 487, c. 111.]

He said that that was well overdue. In his winding-up speech, the hon. Member for North West Norfolk (Mr Bellingham) said:

"Reform is, therefore, long overdue...I welcome the creation of the posts of chief coroner and deputy chief coroner."—[*Official Report*, 26 January 2009; Vol. 487, c. 117.]

So what has changed since? The Minister, in opening the debate, said that it was all about money. If it is, then the Government need first to identify the costs of setting up and running the chief coroner's office. They seem to miss the point regarding taking these functions in house when they say that no cost is involved in that process at all. That is clearly not the case. The figures that have been suggested include about £1 million a year as a contingency—for what, we do not know. The only thing that has changed is the fact that the Government are using this argument about cost. If they are going to make the big mistake of deleting the post of chief coroner, they will have to justify every single penny of costs, and the civil servants in the Ministry of Justice will have to justify every single thing they do in terms of costs.

Clearly, we will not get what Dame Janet wanted, and what the Conservative Government and the Liberal Democrats in the previous Parliament wanted, which is an improvement in the coroner service. That is an opportunity missed. We will still be stuck with the system that we have had for many centuries, which is not only not fit for purpose but outdated and bureaucratic. It also leads to delays in the hearing of coroners' inquests, which is unacceptable.

The Royal British Legion has stated that it does not support this reform and it argues strongly for the role of chief coroner. It is also important to record that the organisation Cardiac Risk in the Young—I chair an all-party group on the issue—is vociferous in arguing that what is needed to improve the coroners service and the inquest service for the families of young people who die of sudden cardiac arrest is the role of the chief coroner.

We need to improve the system and stop the untimely delays for those who die in action serving this country. It is all right for the Government to say that they support the covenant; that needs to be supported in practice by establishing the role of the chief coroner. I agree totally with my right hon. Friend the Member for Coventry North East (Mr Ainsworth) that the Government will be forced to back down on this issue. I suggest that they do it sooner rather than later.

In closing, although I do not usually agree with Viscount Slim, he summed up the issue well in the Lords last week in the debate on the Armed Forces Bill, when he said that the deletion of the position of chief coroner is

"mean, short-sighted and rather stupid."—[*Official Report, House of Lords*, 6 July 2011; Vol. 729, c. 299.]

8.46 pm

Mr Dominic Raab (Esher and Walton) (Con): I welcome the opportunity to speak in this important debate.

Two key objectives for the coalition are to tackle irresponsible Government spending and to deliver reform of the public sector. The Bill will help to achieve both those aims.

It is worth saying at the outset that some public bodies do important work and are a necessary response to the complexity of modern government. However, they have become massively overused. When the Government came to office, there were 901 quangos. In 2009, executive quangos alone—those that take decisions and do not just advise—employed 111,000 people at a cost to the taxpayer of £38 billion. Governments of all political persuasions share the blame for adding to this problem, but the previous Government certainly added to it in abundance. Funding for executive quangos leapt by 59% between 1997 and 2008.

It is right that the Government are cracking down on the inflation of the quango state. They are doing so first and foremost through greater transparency in the exercise of public functions and powers. In the current economic climate, in which value for money is even more imperative than usual, transparency and ministerial accountability are especially vital. Government policy is also welcome because abolishing and merging quangos and cutting their programmes will save £30 billion over the spending review period, as Ministers have reiterated yet again today. Given the difficult spending decisions that have inevitably been made elsewhere, it is essential to streamline Government as much as possible. Nowhere is that more important than in the sphere of quangos.

It makes sense to merge bodies with comparable functions, as set out in clause 2. For example, the proposed merger of the Office of Fair Trading and the Competition Commission is designed to deliver more effective regulation. It will also realise annual cost savings of between £3.5 million and £6.8 million. It is right, as Members across the House have done, to look at and question the practical impact of these changes. On that particular merger, will the Minister say any more in his winding-up speech about the institutional separation of powers between the initial investigation and the final enforcement decision? I have spoken to a number of competition lawyers and experts about that, and it is a key feature of the current competition regime. How will it be retained in the combined competition and markets authority?

Most of the savings will come not from mergers, but from cutting waste. Some quangos have been guilty of the most appalling waste of taxpayers' resources. The right hon. Member for Dulwich and West Norwood (Tessa Jowell) made a spirited defence of the Equality and Human Rights Commission. However, auditors have refused to sign off its accounts for three years running. Last year, it breached Government pay guidelines and spent more than £1 million without due authorisation. It presided over a botched website launch, which eventually saw almost £1 million written off. Members do not need to take my word for that. The National Audit Office damningly concluded that

"there is little general financial understanding or competence in the organisation, and that many managers have limited experience of the effective management of public money."

I discovered that for myself last week when I was informed through a parliamentary answer that a single agency worker at the commission was paid an astonishing salary of £200,000 last year. How can that possibly be

justified? In the light of that, it is right that the commission is listed in schedule 5 to the Bill, allowing its functions to be modified or transferred by the Government, subject of course to the consultation on its future.

Other quangos that are to be scrapped in the Bill should probably never have been created in the first place, and I make no apology for listing as chief among them the eight regional development agencies, a pet project of the last Government that proved an expensive failure. The RDAs were established in 1999 but did little to stimulate growth. Job creation in the five years before their creation was higher than in the five years that followed despite the continued boom economic conditions. They also failed to reduce regional imbalances, which was one of their main aims, as figures from the Office for National Statistics amply demonstrate.

The RDAs made a range of poor spending decisions. Between 2007 and 2009, for example, 62% of all grants went to predominantly public sector organisations, while the trade unions were awarded more than £3 million. That is not a spending pattern that inspires confidence, nor is it one to drive a private sector-driven economic recovery. The RDAs will not be missed by those trying to drive jobs and growth in the private sector, especially as scrapping them will save three quarters of a billion pounds in administration costs alone between now and 2015. It is high time to shed light on quangos' activities and cut down on waste.

Looking ahead, I also welcome the commitment made by the Minister for the Cabinet Office in his statement in October to triennial reviews of the purpose of the remaining quangos. They will be an important part of ensuring that the number of quangos does not balloon again in future, but that provision for them does not appear in the Bill. I ask the Minister to explain why it will not be made a statutory requirement. Equally, Ministers have previously talked about a role for the Public Administration Committee in vetting any new quangos. It would be interesting to know what the status of that proposal is.

Ultimately and overall, the Bill is a big step in the right direction towards strengthening transparency and accountability while delivering savings for the taxpayer, and it has my full support.

8.52 pm

Jack Dromey (Birmingham, Erdington) (Lab): In that great hymn to England, "Jerusalem", we celebrate our "green and pleasant land", and our England is indeed a country characterised by a beautiful coast and countryside, from the craggy cliffs of Cornwall through the heart of England to Hadrian's wall. Although we celebrate it, that beauty historically concealed an ugly reality of rural poverty, of exploitation of farm workers and of an industry—agriculture—that is the most dangerous in Britain. At its most obscene, there is the modern-day slavery practised by ruthless gangmasters.

Labour is a friend of our countryside. That is why we fought to defend our forests and why we amended the Localism Bill to protect our national heritage. We believe in a fair deal for our countryside. That is why we have supported the work of the Rural Advocate. We believe in fairness in the countryside—fair treatment for the backbone of the rural economy, the farm workers and those who work for gangmasters.

For a hundred years agricultural workers fought against exploitation, then in 1948 we saw the establishment of the Agricultural Wages Board. It has set standards in the industry for 60 years and more on pay, sick pay, overtime, bereavement leave, protection for under-16s, apprenticeships and accommodation, and it has evolved to meet the modern methods of agriculture with a system of six grades. They are settled and sensible arrangements, covering 140,000 workers in the countryside and ensuring both fairness and fair competition. It is an historic institution that not even Mrs Thatcher dared to abolish, but now that vital voice is to be silenced. Inevitably, that will be followed by a race to the bottom in the countryside.

A second vital voice is to be silenced. The Rural Advocate, an independent voice for villages, is being abolished by a Government who preach localism but intend to establish in its place a rural communities policy unit based in Whitehall.

There is a third voice that is to be muzzled. Recent disturbing developments and the powers contained in the Bill threaten the future of the Gangmasters Licensing Authority. I co-ordinated the coalition of support that brought the GLA into existence—a remarkable all-party coalition, including, from plough to plate, the National Farmers Union and the supermarkets. All in the coalition were determined to work together so that never again would we see another incident such as that in Morecambe bay, where 22 young Chinese cockle pickers died a terrible death in the freezing sands, ringing home to their distraught families to say farewell.

David T. C. Davies: Is the hon. Gentleman seriously trying to suggest that that terrible tragedy results from the current Government's policies, when they were not the Government at the time? Was it not actually the fault of the previous Government's lax immigration policy, which this Government are doing everything they possibly can to tighten up?

Jack Dromey: However a person is in a country, they do not deserve to die a death like those young Chinese did.

The GLA has been an outstanding success. Together with the president of the NFU and on behalf of the industry, I appointed its chairman, Paul Whitehouse, a former chief constable, under whom the GLA has tackled some of the worst abuse in the world of work in the countryside. For example, intelligence-led operations with Her Majesty's Revenue and Customs recovered millions in unpaid tax, and the GLA worked with the police to put away a gangmaster armed with a gun. With others, the GLA has combated money laundering and tax avoidance, and it now combats human trafficking. Paul Whitehouse and the GLA worked with the good, tackled the bad and made examples of the worst, driving out of business disgraceful rogues, and raising standards across the industry, supported by the Association of Labour Providers and reputable employers, who welcomed at last not just fairness, but fair competition.

The Government have refused to reappoint Paul Whitehouse. A new chair, with no history in enforcement, has been appointed. She says that she is on a steep learning curve and that she will have to learn all about the sector, and she has downplayed the role of enforcement of the law. I fear for the future.

[Jack Dromey]

Finally, the abolitions of the Agricultural Wages Board and the Rural Advocate, and the threat to the GLA, are, taken together, an attack on the countryside. Our green and pleasant land should not be scarred by exploitation. For the powerful to strip the vulnerable of protection is shameful. That is why the Opposition will oppose the Bill and stand up both for our countryside and for fair treatment in our countryside.

8.57 pm

Richard Harrington (Watford) (Con): The hon. Member for Birmingham, Erdington (Jack Dromey) mentioned the tragedy of the Morecambe bay cockle pickers and, in his opinion, the disastrous consequences of losing the GLA and other organisations in rural England. However, I do not understand Opposition Members and members of the previous Government. They have spoken a lot about saving money from quangos. The right hon. Member for Birmingham, Hodge Hill (Mr Byrne) spoke of £500 million, which the shadow Minister, the right hon. Member for Dulwich and West Norwood (Tessa Jowell), confirmed earlier. On the one hand, Opposition Members accept that we need to cut because money is being lost, yet almost every organisation that is mentioned seems to be a front-line service that it would be a disgrace to remove. I find that a difficult contradiction.

I must tell the House—and in fear of Opposition Members' mirth—that I have not worked in a quango or experienced them on close terms. However, I do know about organisations. Organisations, be they in the private sector, the public sector or the quasi-public sector, have certain things in common. One is that they all started with perfectly good intentions, but they have a habit of growing like Topsy, until they get to the stage when people think, "Well, how can we possibly do without them?" That happens a lot in the private sector, and it has clearly happened in the public sector. Whether we are talking about new management in a business or a new Government running the country and the public sector, the feeling is the same: when times get difficult, measures have to be taken to reduce the number of organisations. It is well known in management, and there is management speak for it—management cuts, rationalisation and so on. There seems to be consensus on that.

The shadow Minister said that every Government needed to reassess the role of these organisations. In her view, it needed to be done "systematically over time", but I am not sure whether that means two years, five years, 10 years or longer. The fact is that a new Government have entered office, carried out a comprehensive review and decided to proceed in this way predominantly—as far as I can see—on the grounds of accountability and transparency, with the peripheral object of saving money. I do not understand her logic in saying that it can be done over a lengthy period. These organisations are growing up all the time.

The right hon. Lady seemed to agree that measures have to be taken to rationalise the number of bodies. However, I want to move on to the questions of accountability and transparency, which are the main thrust of the debate. There are arguments about whether organisations are better controlled directly—from within Departments—or indirectly. I have experience in Watford of bodies that have been spun off and that are effectively quangos. For example, the Community Housing Trust, which was part of the local council, is now a third-party organisation and quasi-controlled by the council. In that respect, it is much the same as a Government quango. Management teams grow up, outside consultants are used all over the place and very high salaries—in many cases higher than in the private sector—are paid, but I have not seen the accountability. Having a couple of non-executives on a board does not mean accountability and responsibility in the same way that direct control by the Government or—as in the case of my local authority example—a council does.

The idea, once mooted for quangos, that some organisations work better independently—so that Ministers cannot meddle—was admirable, but I have not seen accountability. In fact, I have seen the contrary. I would like to use regional development agencies as an example because I have experience of them from my business life. It seemed to me that not only were they not accountable to, or directly controlled by, the Government—they had an independent board and claimed some sort of independence—but because their funding was controlled by Governments, they could say to their consumers, who effectively were businesses in the area, "You don't own us. We're independent of you and funded by the Government." For the life of me, I cannot see how running an RDA as a quango is an excellent way of running an organisation when compared with direct involvement from the Department for Business, Innovation and Skills or with the local enterprise partnerships. The latter are at least community organisations in business terms. I very much support the Bill.

Mark Lazarowicz: The hon. Gentleman is making some interesting points. However, does he not see the apparent contradiction between his theory of greater state control and bringing everything into the centre on the one hand, and the policies of the big society and handing power down to people on the other?

Richard Harrington: Yes, I think that the hon. Gentleman has made a valid point. Some organisations are much better off in the voluntary sector and as part of the big society. It is a question of assessing, as the Cabinet Office has done, which organisations are suitable for which sector. My argument is that the quango is neither one thing nor the other. However, I agree with him; he made a valid intervention.

9.4 pm

John McDonnell (Hayes and Harlington) (Lab): I want briefly to make two simple but related points. Elected Governments—even unelected coalitions—have the right to determine the administrative arrangements they consider best suited to implementing their policies. However, there is such a thing as good governance. As the Public Administration Committee's original report set out, good governance involves undertaking a proper review of structures, consulting the organisations and individuals involved, clarifying objectives and then having good, clear drafting of the legislation.

The hon. Member for Harwich and North Essex (Mr Jenkin) is not in his place, but I think that he hid his light behind a bushel, because last December's PAC report

was one of the most hard-hitting reports that I have ever seen in this House. It referred to the review process as "poorly managed", and said that "no meaningful consultation" had been undertaken, that the criteria and tests set for the reform were "not clearly defined" and that the Bill was "badly drafted", so it is no wonder it received a mauling in the House of Lords. In addition, the Committee said—I have never seen this sentence in a Select Committee report before—that the Government had

"failed to recognise the realities of the modern world."

One element of that was the need for thorough consultation, a point that I want to discuss in relation to the staff.

Whatever the structures of government, whatever they determine those structures should be and whatever reforms to those structures they want to undertake, any Government will need an essential ingredient: well trained, professionally competent and motivated staff. However, in this Bill the staff are barely mentioned or considered, if at all. I chair the PCS trade union group, which involves Members of all parties in this House. The PCS has 30,000 members in non-departmental bodies, many thousands of whom are affected by this Bill. Many of those staff are facing compulsory redundancy, forced relocation, a deleterious impact on their terms and conditions and their pensions, an almost certain increase in their work loads and the end of job security—all in a situation of absolute uncertainty. The most common thing that I have heard from members of staff whom I have met in those bodies is that they are completely in the dark about their futures. There is a complete lack of clarity about what role their organisations and they as individual professionals will be playing, and they are worried about the future of the services that they deliver.

Jon Trickett: Will my hon. Friend confirm that redundancies are taking place now, before the Government have even taken these legal powers, which is damaging the capacity of those bodies to perform what continue to be their statutory duties?

John McDonnell: I can confirm that. Redundancies are taking place, and there is near chaos in some organisations, not only because of jobs being lost and redundancies being forced on people, but in the organisation of the services that they deliver. A number of staff are worried about the impact that the proposals will have on the users of their services. I refer in particular to those who manage the independent living fund and the 300 workers involved with the Youth Justice Board, whose jobs are likely to go. Morale is understandably at rock bottom in those services, so the important thing is consultation. However, I see that consultation with staff unions is not even listed in the Bill.

Also, there is an agreement stemming from the last Government—an agreement that I thought this Government had signed up to—on TUPE. The Cabinet Office statement of protocols adopted by the last Government and inherited by this Government, which I thought this Government had also signed up to, states that where TUPE does not apply—for example, in the transfer of staff into the public sector, which includes most of the bodies in this Bill—an explicit reference should be added to the Bill. That is the agreement that was signed up to, but all that this Bill contains is a reference in clause 24 to transferring people on conditions similar to TUPE. The legal advice provided to the union is blindingly obvious: conditions that are similar to TUPE are not TUPE. Therefore, a whole range of conditions of service and protections that staff now enjoy will be put at risk. I believe that this is an act of bad faith on the part of the Government. The least that they could do now is add TUPE to the Bill. It was included by the last Government in the Apprenticeships, Skills, Children and Learning Act 2009, and by this Government in the Localism Bill. In that way, staff gained some security for their futures.

Let me conclude. There is a view in many of those bodies that there is near chaos when it comes to what the future will hold for the staff and what the implications for delivering the service will be.

Richard Harrington: Assuming for a moment that the employment side of the Bill was altered as the hon. Gentleman suggests—actually, it will probably not be—would he then be satisfied with the new arrangements, or would he prefer the existing bodies to perform their functions as they are?

John McDonnell: The hon. Gentleman might not have heard me say earlier—I might not have made myself clear enough—that when a new Government are elected, they are perfectly entitled to introduce the administrative arrangements that they think appropriate for the implementation of their policies. There will be debate in the Chamber about the rights and wrongs of those administrative arrangements. As we have heard today, there are sharp differences of opinion between Members on either side of the House on the Youth Justice Board, the coroners service and the Commission for Equality and Human Rights.

There should, however, be one common feature across all parties, and that relates to the protection of the staff. They should not suffer as a result of the changing whims of Governments or of the changing directions of political parties' policies. They should at least be afforded the opportunity of full consultation and of the legal protections that have been provided in the past, specifically through TUPE. I very much regret that there is no commitment to TUPE in the Bill. The commitment in clause 24 to something similar to TUPE will not give the staff the security that they need. Any Government, of whatever political hue, should have respect for the civil servants who serve them. On that basis, I urge the Government to think again about this issue.

The Cabinet Office Statement of Practice on Staff Transfers in the Public Sector—COSOP—principles were signed up to by the previous Government, and by this one, and they have been referred to at length in some of our debates. They are now being broken by the Bill. That has been interpreted by the trade unions as an act of bad faith, which is contributing to the present poor industrial relations climate in the public services. This is a critical issue. I welcome the opportunity for the PCS parliamentary group to meet Ministers to discuss how we can amend the legislation in Committee, so that when it comes back to the House on Report, we can debate the real principles behind the Bill, rather than being encumbered by this attack on the staff.

9.12 pm

Gavin Shuker (Luton South) (Lab/Co-op): I rise to speak about a couple of the bodies concerned with rural communities that were mentioned by my hon. Friend

[Gavin Shuker]

the Member for Birmingham, Erdington (Jack Dromey), who is no longer in his place. It was interesting to hear Conservative Members expressing disdain for his view that Labour had made a valuable contribution to rural communities under the last Government. That goes to the heart of why I want to talk about these bodies. It is perhaps inevitable, as Labour Members tend to represent the more urban seats and Conservative Members the more rural ones, that a certain reputation in that regard is picked up. I fear, however, that this Government will run down the huge amount of good will felt towards them in rural communities if they ignore the question of the Agricultural Wages Board and the Commission for Rural Communities. Taken together, those are very important organisations.

I have some sympathy for the Government's position in wanting to change the constitutional arrangements of certain bodies, but the Minister himself said earlier that it is difficult to maintain an overview of every single body that a Bill of this size deals with. I hope that the Government will be willing to listen on this particular point, because rural communities run the risk of getting a very raw deal.

Richard Harrington: As I understand it, agricultural workers are protected by the same rules as everyone else. The minimum wage, which the Labour Government brought in and which, I must confess, has proved very successful, would protect agricultural workers just as it would any other kind of worker. Can the hon. Gentleman think of any reason why one group of workers should be treated differently from the others in this regard?

Gavin Shuker: The hon. Gentleman has asked a straightforward and honest question. I shall go into this in more detail a little later, but one reason would be that agricultural workers are more likely to find themselves in a changeable labour market. The Agricultural Wages Board takes into account six bands for agricultural workers, and only 20% of the people who receive funding from their employer that is moderated by the board receive a level around about the minimum wage. Essentially, we could end up bringing the other 80% down to that level in a wage race to the bottom. Let me explain why it is important to take the special character of rural communities into account.

Guto Bebb: I have heard this terminology of a "race to the bottom" used twice by Labour Members. Was not the decision of the previous Labour Government to allow unfettered immigration from eastern Europe another case of contributing to a race to the bottom when it came to wages in the agricultural sector?

Gavin Shuker: We need a framework in which all workers are treated on an equal level. The hon. Gentleman makes an astute point—that in a market without any regulation, people will work for the smallest amount of money. If we had more time, I could discuss the issue at greater length, but the hon. Gentleman's point deserves more scrutiny.

The Commission for Rural Communities has been an independent advocate since the time of Lloyd George—surely a reason why Conservative Members suggest that it is well beyond its time—but we should bear in mind the important point that the cost of living can be 10% or 20% greater in rural communities than in urban areas. If I were a Minister on the Government Front Bench and I wanted to get on with implementing my programmes—something would have to have happened for that to be the case—I would probably not want a very strong independent voice for rural communities. I think that that is a shame, because when we release people to become strong advocates for their own communities, it serves us all well.

The Rural Advocate appointed by Tony Blair in 2000, Lord Cameron of Dillington, said:

> "All too often—in fact, almost always—urban civil servants ignore or are unaware of difficulties of delivery in the countryside...It would be a tragedy if the countryside were to lose that independent voice."—[*Official Report, House of Lords*, 23 March 2011; Vol. 726, c. 767-8.]

I think he put it very well. It is easy for us here in Westminster to ignore some of the major problems that rural communities face—in housing, broadband and public transport, for example. How do people in the countryside, especially the young, get to work? Those are real issues. I believe that the Commission for Rural Communities continues to have a valuable voice to articulate—independently of Government but to the Government. I also believe that the changes advocated in the Bill will not strengthen that independent rural voice, which, as I said before, has been around for about 100 years.

The hon. Member for Watford (Richard Harrington) anticipated some of my points. The Agricultural Wages Board is key to ensuring that the additional cost of living that rural communities face can be met by showing a greater responsibility to those who work in the countryside. The board was put in place after world war two. That might be used as an argument to get rid of it, but it is really a poor argument for dismissing the present board. It represents a partnership among the industry, the unions, landowners and all interested parties in the countryside. Those groups come together and a deal has to be hammered out on the different wage bands, just as we have to hammer out deals in this place.

Richard Harrington: When the Agricultural Wages Board came into being in the late 1940s, lots of other industries were similarly regulated with their own boards. Most of those have gone—not just as a result of Conservative Governments but by general consensus. I do not understand why the Agricultural Wages Board is different.

Gavin Shuker: I appreciate the point, but additional costs of living and the ability for different groups of workers to be exploited within that industry are relevant. I believe that those require us not to weaken the regulations, but to keep them in place.

Let me offer two further specific points about the abolition of the Agricultural Wages Board. Without the AWB, each individual business will have to negotiate its own individual terms and conditions. Far from reducing red tape for farmers, we will increase it. Many of them just want to get on and farm; many just want to run their business; many are not experts in the area of human resources or employment law.

Secondly, without the AWB, I believe we will see a dramatic decrease in wages across the industry. As I said before, only about 20% of those regulated by the AWB receive round about the minimum wage; there are six bands above it. The industry needs a sense of career progression and a credible ladder of opportunity in order to attract more people into it to strengthen food security. The Minister will obviously say that the minimum wage remains a safeguard. That is true, but I believe that there will be a race to the bottom without the AWB. The Bill will restrict the amount that can be charged for accommodation, an area in which people may be exploited. It will also affect agricultural sick pay, which is very important to manual labourers.

I sympathise with the Government's wish to make reforms, which is their right. They will present more proposals, and they have already made amendments to the Bill, such as the removal of the clauses relating to forests. However, they risk making a serious impact on rural communities that are already suffering. For that reason, I ask them not to poison the well from which they draw much of their support, and to reconsider their position.

9.20 pm

Guto Bebb (Aberconwy) (Con): I will be brief, but I want to say a little about S4C. As the House may know, the Welsh Assembly is responsible for most of the quangos in Wales, but S4C is one Welsh organisation that will be affected by the Bill.

I well understand the strength of feeling about the Bill. I am possibly the only Member present this evening whose office has been vandalised as a result of it. Members of the Welsh Language Society decided to take direct action because of their fears for the future of S4C. However, I want to record the fact that, along with the other members of the Welsh Affairs Committee, I am fully committed to its future. Our report demonstrated strong cross-party agreement that, notwithstanding concerns about some elements of the Bill, the funding settlement could offer it a way forward.

Let me explain why I think the Bill is important. Several Members have referred to accountability. One of the problems that we experience with quangos such as S4C is a distinct lack of accountability. After all, they receive a huge amount of taxpayer funding. Last August, for example, the chief executive of S4C was dismissed without notice. At the time she was earning about £160,000 a year: £160,000 a year of taxpayers' money, and a salary that most people would consider extremely high in a Welsh context. As yet, we have not been told why she lost her position. We need to ensure that such organisations are accountable to, and respond to, the taxpayer.

As I have said, I believe that the funding arrangements that the Government are introducing offer S4C a way forward. The funding is being reduced from £100 million to about £83 million a year, which, miraculously, was described by the hon. Member for Clwyd South (Susan Elan Jones) as a reduction of 94%. Members may wish to try to explain how a reduction from £100 million to £83 million equates to a 94% reduction, but I am at a loss.

I believe that the link between S4C and the BBC presents S4C with a future. Indeed, the BBC's experience and its ability to provide base funding for the channel, coupled with the skills and expertise of the independent television sector in Wales, give it the chance of a prosperous future. I am confident that, despite all the concerns that have been raised about the changes proposed in the Bill, there is good will in the Department for Culture, Media and Sport and in Government generally, and a real possibility of building a new and more accountable S4C that will serve the people of Wales well.

9.23 pm

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I want to speak about just one of the Government's proposals: the suggestion that the Disabled Persons Transport Advisory Committee may be abolished. As I am sure the House knows, the consultation on the committee's future has not been completed. In fact, it will not end until 21 July. I hope that the Government will confirm that, although the Minister has said he is minded to abolish the committee, a genuine consultation process is taking place. I hope it will also be confirmed that if that process reveals a negative view of the Government's proposal, they will reconsider it.

I make the case for this committee to be retained because for some time I have been interested in how we can make public transport as accessible as possible to people with disabilities. As it happens, one of my constituents, Alan Rees, is the secretary of the Scottish Accessible Transport Alliance. He has campaigned on this issue for many years and has provided me with some powerful arguments against the closure of the committee, which I hope the Minister will ensure are considered by his Department and his colleagues in the Department for Transport. Mr Rees has said that the continuation of the committee

> "in its present form is vitally important. It is a statutory body made up of disabled people forming a majority. It has been behind most of the recent improvements in transport access and mobility for disabled people but there is still much to do. Its loss or reduction in status and influence would be a savage blow."

It is a cross-border body, although some transport matters in Scotland are devolved. Issues to do with international travel, travel between Scotland and England, long-distance rail and many aspects of road travel, and many other issues are still reserved matters. The committee therefore plays an important role. That is why there is a lot of concern about its proposed closure.

Over the years, the committee has produced many reports and recommendations, and, importantly, they have resulted in action. In that regard, I would refer to the committee's work on low-floor buses, its advice to taxi drivers, its promotion of disability awareness training for transport staff and, perhaps most importantly, its efforts to ensure that the consumer view—the view of the disabled traveller—is ascertained and then taken into account by Government at all levels and, indeed, by transport operators.

That serves to highlight two crucial aspects of the current committee. First, it has a right to be consulted; its views must be listened to. Secondly, it is a voice for disabled people themselves. As I have said, there is a majority of disabled people on the committee, which gives it authority and credibility, and an understanding of the issues, and I believe the Government, and specifically the Department for Transport, have drawn great benefit from that. If the committee is abolished, there is a great risk that the voice of disabled people on transport

[Mark Lazarowicz]

issues will be weakened. I therefore hope that the Government will think again about their proposals to wind up the committee, and give proper consideration to the findings of the consultation process when that is completed.

If the Government decide to go ahead and abolish the committee, I hope that the alternative arrangements they set up will not result in there being just an occasional meeting with stakeholders, which is one suggestion, or arrangements that lead to the employment of highly paid consultants to take on the work of volunteers on the committee. I also hope they give disabled people and their organisations a genuine voice, as they are entitled to be consulted on major transport issues and issues of concern to the disabled traveller.

I hope that the Government will give those assurances and, above all, I hope they will confirm that they are open to the consultation process producing different recommendations. I trust that there will be a recognition on both sides of the House that the Government should take on board these interests and concerns, and that if they are going to abolish this committee, they need to come up with a genuine and acceptable alternative.

9.28 pm

Jon Trickett (Hemsworth) (Lab): This has been an interesting debate, but at certain times Members walking into the Chamber might have wondered whether they had accidentally walked into a discussion on Welsh affairs, because so much of the debate focused on S4C—a mystery to me, as an MP representing a Yorkshire constituency, until I was allocated to this Bill. I can assure the House that by the time we reach Committee stage, I will be as expert as everybody else. However, the real reason for the contributions from so many Welsh Members might be a certain boundary review that will be taking place in Wales in due course, but perhaps that is idle speculation.

The sub-debate about S4C was ably led by my hon. Friend the Member for Clwyd South (Susan Elan Jones). Other contributions were made by the hon. Members for Ceredigion (Mr Williams), for Montgomeryshire (Glyn Davies), for Vale of Glamorgan (Alun Cairns), for Carmarthen East and Dinefwr (Jonathan Edwards) and for Aberconwy (Guto Bebb). They all made interesting speeches, although it seemed to me that some of the points made by Government Members were hardly supportive of the Government's position on S4C. The Opposition can assure the House that this matter will be explored in great detail in Committee.

Many other matters were raised, often with great authority, including the Government proposal to transform the chief coroner post. Very significant contributions were made on that matter by my right hon. Friend the Member for Coventry North East (Mr Ainsworth), my hon. Friend the Member for Hartlepool (Mr Wright), my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) and my hon. Friend the Member for North Durham (Mr Jones). There is a significant problem with the Government's proposals, which suggest that the coronial service, in part at least, should be made responsible to the Lord Chancellor, who, as we know, is a member of the Government. From time to time, a death that has been examined by a coroner may have been caused, in part at least, by the Government's actions—we can all think of examples where a Government failure contributed to the death of a fallen hero in Afghanistan, Iraq, Libya and so on. If the coroner has to report to the Lord Chancellor, would that not immediately raise questions about the independence of the coronial service in investigating the deaths? Deaths at war are as tragic as any other, and they obviously involve people who were fighting for our country. Those people are entitled to an independent coronial service, and I do not believe that the Government's proposals give us that independence.

Powerful points were also made strongly on behalf of rural communities by my hon. Friends the Members for Luton South (Gavin Shuker) and for Birmingham, Erdington (Jack Dromey). They discussed not only the beauty of our rural countryside, but the need for fairness. The Government are proposing to abolish the Agricultural Wages Board for England and Wales, and that retrograde step, again, needs to be debated very carefully in Committee. My right hon. Friend the Member for Wythenshawe and Sale East also spoke about youth justice, on the basis of his great experience, and the House listened carefully to the point he made.

What was striking about the debate was the fact that few Government Members were wholly in favour of the Bill and that they did not make the case for the Bill in the terms used by the Minister for the Cabinet Office. He made a case on the basis of democratic accountability—I shall address that in a moment—but his right hon. and hon. Friends largely chose to make an argument on financial grounds. They said that we should simply be taking an axe and making financial cuts to the service, irrespective of whether the service being provided is good or bad. For example, the hon. Member for City of Chester (Stephen Mosley) referred to the financial imperative to cut services. We accept that there is a degree of financial imperative, particularly in relation to waste, where that is identified. However, I do not believe that the argument made by the hon. Member for Esher and Walton (Mr Raab) that we should abolish any quango where even a small amount of waste has been established necessarily provides the correct answer. Notably, the Minister for the Cabinet Office did not make that case.

The hon. Member for South West Norfolk (Elizabeth Truss) gave an extraordinary motive for cutting quangos, basing her argument on inequality of pay. Those of us on the left, who have long argued for greater equality, welcome her as a recruit, but her case was that we should abolish quangos on the basis of the size of the chief executive's salary, and that is a bizarre argument. The hon. Member for Watford (Richard Harrington) was the star of the show. He began his speech by saying that he had no experience whatsoever of any quango, ever. He felt that that gave him the basis for making a speech to say that quangos should immediately be reformed, abolished and so on.

The Government rested their case on the need for greater democratic accountability, and we agree that the quango state should be tackled on those grounds. However, they would be well advised to listen carefully to the case made by the hon. Member for Harwich and North Essex (Mr Jenkin), who chairs the Public Administration Committee. He pointed out that in a modern society

accountability takes many forms. I have just discussed the coronial service and it may be that rather than the coroners being made accountable to the Lord Chancellor, as the Government would have it, they should be accountable to the relatives of the dead. In that sense, I agree entirely with the point made by the Public Administration Committee.

Considering that it dealt with such important bodies, the process the Government entered into was incredibly rushed. There was little or no consultation in advance with the interested parties, with the bodies themselves or even with Parliament. The reform of these bodies through proper legislative processes is clearly one thing that the Government are entitled to do, but instead, as we heard from my hon. Friend the Member for Hayes and Harlington (John McDonnell), they are already proceeding effectively to abolish or at least to weaken through underhand administrative methods those very organisations that the Bill is intended to reform, even before it has gone through Parliament. The Equality and Human Rights Commission, for example, has already had its budget cut by 68%, yet it still exists in law. The staff numbers have been cut by 66%. Only one in three staff remain in the EHRC yet it still has statutory duties imposed on it by Parliament until this Bill becomes law. That is no way for a Government to proceed. It completely ignores the need for parliamentary assent and is once again reflective of a Government who are unwilling to listen or consult.

What we have here is a Government who are simply not listening, so much so that that they are not allowing witnesses to appear before the Public Bill Committee as part of the Bill's scrutiny. We were told that this would be a listening Government. Why then will they not allow witnesses to appear before the Public Bill Committee when the Bill goes upstairs? The Government do not want to hear the voices of the Royal British Legion, who will defend the rights of fallen heroes to a proper inquest. They do not want to hear the voices of low paid workers in the agricultural industry who will be affected by the changes to the Agricultural Wages Board. They will not allow the voices of witnesses from the disabled community, mentioned by my hon. Friend the Member for Edinburgh North and Leith (Mark Lazarowicz), to be heard on the EHRC or the Disabled Persons Transport Advisory Committee, which is to be abolished. We will therefore oppose what we regard as a gross misuse of Government authority in seeking to prevent witnesses appearing before the Committee. I therefore urge the House to reject the programme motion, which does that.

On top of all those things, the Bill fundamentally alters ministerial powers to control quangos. It will concentrate far more authority in the hands of the relevant Ministers, who could merge bodies, transfer bodies or even abolish them without proper reference to Parliament and without listening to witness statements. The costings on which the Bill relies are also riddled with incompetence. The Minister for the Cabinet Office has made outlandish claims in *The Sun* newspaper that are totally unfounded. We have tabled freedom of information requests and parliamentary questions that show that rather than the £30 billion he claimed, the actual savings will be a fraction of that: £2.6 billion at most. When we considered individual Departments, we found the Government's claim was often twice as high as the savings that they will make. Our research, for example, demonstrated that although the Government claimed that they would save £18 million from the Department for Work and Pensions, they will save less than £500,000.

Finally, the proposals will have a human cost both to the millions of people who receive services from the quangos and to thousands of employees, to whom my hon. Friend the Member for Hayes and Harlington referred. Let me ask the Parliamentary Secretary, Cabinet Office, a straightforward question, which I would like him to answer in his reply. What will happen to those whose jobs may be transferred into the private sector, the voluntary sector and elsewhere in the public service? What will happen to their rights? Does he envisage that their rights under TUPE will be properly protected, as they ought to be?

Hon. Members' contributions today have revealed that the Government have not considered staff, have not listened to the users of services, have not produced proper costings and certainly have not listened to the millions of vulnerable people who will be affected by the Government's actions if this Bill is passed. The Government do not realise that when they are taking decisions, they need to see the big picture—on which we can agree: that quangos should be reduced—but equally the detail. Government is about making decisions but it is also about listening and the Government simply do not have the humility to listen, the patience to debate or the ability to implement the detail properly. We will be voting for the reasoned amendment and fighting the Bill line by line in Committee, and we reserve the right to vote against the Bill on Third Reading unless there are substantial improvements to it.

9.40 pm

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): This has been a short debate on a Bill that my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) rightly described as being very significant. It is significant in its potential impact on a large number of organisations, many of which perform significant functions and employ a large number of people. My fellow Hillingdon MP, the hon. Member for Hayes and Harlington (John McDonnell), was quite right to remind the House of the impact of the changes on human beings. Let me reassure him that I am extremely happy to meet him and the PCS group to clarify any confusion that might exist in relation to TUPE. I give that undertaking in good faith.

The debate was interesting in that it launched the Labour party's campaign to "Back the Apple"—this from the party that introduced the cider tax! The irony has been lost on them. More seriously, it is clear that there are still profound concerns about some of the proposals on the table and that there is more need than ever for Ministers' continued engagement regarding the Bill during its progress through Committee, should it get its Second Reading, and through the consultation processes that will have to flow in anticipation of the orders that will in turn flow from the Bill. Many arguments will be made, won and lost in that process. That is quite clear from the debate.

In the time available I will try to address some of the specific concerns that have been raised, but it is important to register that no one in the debate has, as far as I could

[Mr Nick Hurd]

tell, argued for the status quo. The case for reform appears to have been won, although, having listened to Opposition Front Benchers I am not entirely convinced. The truth is that when they were in power they were a lot better at moving quangos around than at abolishing them. Frankly, at the end of the Opposition spokesman's remarks, I was no clearer about what on earth they would do if they were in power. There continues to be a complete fog about that. It is all very well talking about the case for reform, but sometimes one has to get up and do something.

The case for reform was made extremely powerfully by my hon. Friends the Members for South West Norfolk (Elizabeth Truss), for Esher and Walton (Mr Raab) and for Watford (Richard Harrington). The case was made particularly eloquently by my hon. Friend the Member for City of Chester (Stephen Mosley), who talked about the need to shine a light of accountability and transparency, with which I entirely agreed. My observation from my constituency is that people are deeply frustrated by how complex and expensive government has become. They would like it to be simplified and for it to be easier to find out who is in charge. They would like us to bear down with much greater discipline on waste and cost inflation, not least on salary inflation. That point was well made by my hon. Friend the hon. Member for South West Norfolk.

Given the cluttered and confused landscape that is quangoland, it would have been quite irresponsible for a new Government not to have embarked on a review of public bodies. We believe very strongly that by substantially reducing the number of bodies, returning functions to central Government where appropriate, and establishing a legislative framework for the outcomes of future reviews, the Bill takes a major step towards a simpler, more accountable approach to Government. The Bill will support the delivery of administrative savings from public bodies, as part of the Government's commitment to delivering the effective, value-for-money systems that taxpayers rightly expect. Those principles should enjoy widespread support across the House, and I am very disappointed by the position of the Opposition in that respect.

There was consensus across the House that the Bill had been improved by the deliberations in the other place; I am happy to confirm that that is our view, too. There were questions, not least from my hon. Friends the Members for Harwich and North Essex, for City of Chester, and for Esher and Walton, about the triennial review, which is an important part of the new process that we are setting up. I assure them all that further detail will be forthcoming on how that review will work.

There was very little controversy, as far as I could tell, about the structure of the Bill, now that it has passed through the other place. Where there were concerns, they tended to focus explicitly on the ideas for particular bodies. I should like to focus on those that are clearly more controversial. I start with the office of chief coroner. We heard powerful speeches from the right hon. Members for Coventry North East (Mr Ainsworth), and for Wythenshawe and Sale East (Paul Goggins), and from the hon. Members for Hartlepool (Mr Wright), and for North Durham (Mr Jones). I pay particular tribute to the speeches of the right hon. Members for Coventry North East, and for Wythenshawe and Sale East, because they had the benefit of drawing on direct ministerial experience, some of which was clearly very powerful and difficult.

Mr Kevan Jones: What about me?

Mr Hurd: The hon. Gentleman was not bad, either. There are clearly arguments to be made, and won or lost. The Government clearly have to listen very hard, but the point that I would make to Members who have understandable concerns about the proposal is that there is no argument about the need for reform. As the hon. Member for Hartlepool said, we all recognise that a much better service is required for families. There is a problem around variation in quality; he made that point well. Nor is there any argument about the need for the functions of the chief coroner; the proposal is that they be transferred, not abolished. The question is: can we have reform without the person—or without the person right now, because the Government are retaining some flexibility on that point? The concern is about whether the reforms can be delivered without incurring what, on the face of it, are significant set-up and running costs—costs that were effectively ratified by the previous Government, because they commissioned the impact assessment.

Mr Jones: The Minister for the Cabinet Office and Paymaster General told us when he opened the debate that the reason behind the decision on the chief coroner's office was money. Is the Parliamentary Secretary comfortable going against one of the main recommendations made by Dame Janet Smith in the Shipman report—that the coroner's office be independent of Government?

Mr Hurd: Cost is a significant factor in the circumstances that we face, and we should not underestimate its importance as a consideration for the Ministry of Justice. It is committed to reform; the question is: how can those reforms be delivered in the most cost-effective way? It is clear, as I said, that the arguments will have to be made through the processes that lie before us.

Mr Ainsworth: There are processes that are to be performed, and if consistency is to be applied, there will be costs. Either the processes will be undertaken by an independent person who is part of the coronial system or, under the monstrous proposal from the Government, somehow Ministers will do them under a coronial system. It cannot be done that way.

Mr Hurd: It is obviously the responsibility of the Government to consider all the costs, but the right hon. Gentleman is ignoring the role of the Lord Chief Justice. I come back to the point that the Government recognise, as we all do, the need for reform; the question is how those reforms can be delivered in the most cost-effective way. That is the debate that will roll through Committee and beyond. Clearly, feelings run high on the issue in this House and the other place.

Mr Jenkin: My hon. Friend is making an emollient and helpful speech, but the real question is not how these issues will be dealt with during the passage of the Bill, but how they will be properly debated and adjudicated on by Parliament after the Bill is on the statute book.

Will he give the House a general undertaking that these contentious issues concerning bodies that were established by primary legislation will be the subject of proper and reasonable consultation and debate when the orders come before Parliament, and that there will be an opportunity for Parliament to exercise the influence it would have exercised had we been confronted with primary legislation?

Mr Hurd: My hon. Friend's question goes to the heart of the debate about how the Bill is structured. He understands that if this enabling Bill is enacted, it will be the responsibility of Ministers to come to this place with orders, having consulted where that remains appropriate, and make their case, with appropriate safeguards in terms of scrutiny and the capacity of the House to require the enhanced affirmative procedure. There was no serious discussion of this during the debate, but, with reference to the safeguarding procedures, I think we are in a much better place than when we started and when his Committee examined the Bill.

John McDonnell: On the point about process, because some aspects of the Bill are more contentious than others and the Government have moved from the affirmative procedure to the enhanced affirmative procedure, there may well be the opportunity on some issues to move to the super-affirmative procedure, which allows room for further amendment.

Mr Hurd: That has been considered and rejected. The enhanced affirmative procedure is considered to be adequate and proportionate. That seemed to be accepted by the other place.

I shall move on in order to give proper space for the other most contentious issue, which concerns S4C. Again, we heard powerful speeches from the hon. Member for Clwyd South (Susan Elan Jones), who is in her place, the hon. Members for Ceredigion (Mr Williams) and for Carmarthen East and Dinefwr (Jonathan Edwards), and from my hon. Friends the Members for Vale of Glamorgan (Alun Cairns), for Montgomeryshire (Glyn Davies) and for Aberconwy (Guto Bebb). My hon. Friend the Member for Montgomeryshire expressed the deep passions that the proposal has aroused. We heard from my hon. Friend the Member for Aberconwy that his office had been vandalised or attacked as a response to the Bill. My hon. Friend the Member for Montgomeryshire described S4C as the cultural backbone of Wales—a powerful phrase. The debate is about how we sustain S4C as an independent service that retains its own brand identity.

Glyn Davies: The one issue that still concerns us is the arrangements for future governance. We seek an assurance that there will be genuine consultation and opportunity for the people of Wales to have an input into that consultation. We are looking to the Minister to give us a commitment on that.

Mr Hurd: I am happy to give my hon. Friend the reassurance that the Department is extremely sensitive to concerns. As he knows, the funding settlement reduces S4C's funding by the same amount as the DCMS's, at about 25% over the comprehensive spending review period. We consider that fair. I do not think there is an argument about the unsustainability of the current funding arrangements for S4C. The proposed amendment described in the written ministerial statement—it was reassuring that many colleagues took great comfort from the statement—makes it clear that S4C will be funded for the long term to deliver its vital statutory functions. Everything we are proposing is about how we protect S4C, not undermine it.

Let me touch on the Agricultural Wages Board. The hon. Members for Luton South (Gavin Shuker) and for Birmingham, Erdington (Jack Dromey) were eloquent on the subject. The Agricultural Wages Board was set up to represent agricultural workers and ensure that they are paid appropriately. That is an example of a body that is no longer needed, as pay for all workers is protected by the national minimum wage, so there is no longer a need for separate representation for agricultural workers, a point made by my hon. Friend the Member for Watford (Richard Harrington).

Andrew George: I lead on DEFRA matters for the Liberal Democrats and hope that the Minister understands that I oppose the abolition of the Agricultural Wages Board. Rural workers are exceptionally isolated and in an exceptional position that I think justifies exceptional protections.

Mr Hurd: I think that the House understands, as the Government certainly do, that the hon. Gentleman is opposed to the abolition, but I do not think that that changes our view that separate representation for agricultural workers is no longer needed.

Elizabeth Truss: Farmers in my constituency certainly want less regulation, rather than more, which will enable them to be more productive and export more crops, and surely the minimum wage is effective cover for protecting workers. We need to ensure greater exports from Britain, which we will not achieve through further regulation.

Mr Hurd: My hon. Friend is right that the abolition of the Agricultural Wages Board is not about driving down wages and conditions for agricultural workers, but about removing regulatory burdens on farm businesses and allowing them to focus on the business of farming.

Jack Dromey: Will the Minister give way?

Mr Hurd: I will not, with great respect, because I have given way a great deal and have limited time in which to draw my remarks to a close.

I would like to return to the core issue of why we believe the Bill is needed and deserves a Second Reading: the benefits it will deliver for good government in this country. My right hon. Friend the Minister for the Cabinet Office announced the results of a radical review programme, as a result of which we proposed that almost 500 bodies should be reformed, and in many instances those reforms are already complete or in progress. However, a large number of those bodies have a statutory basis, so legislation is required to turn the Government's proposals into reality. In some cases departmental Bills provide an appropriate vehicle for the changes, but where that is not the case the Public Bodies Bill represents a sensible legislative solution. It gives the Government the necessary powers to take forward these much-needed reforms without Departments having to wait for primary legislation, preventing unnecessary delay where the case for change is clear.

[Mr Hurd]

The Bill achieves that by giving Ministers a series of powers, outlined in clauses 1 to 5, to make changes to public bodies through secondary legislation, subject to a number of safeguards, the completion of a consultation process and the approval of Parliament. I emphasise that those powers are strictly limited in scope. The powers to make orders apply only to the bodies and offices listed in the corresponding schedule to the Bill, to which bodies can be added only through primary legislation, meaning that Parliament will remain the ultimate arbiter over when the use of those powers is appropriate.

Following a review by the other place, important changes have been made to the Bill. Specifically, we have arrived at mechanisms to include a number of proportionate restrictions on the use of the powers set out in the Bill. On independence, we have introduced provision in clause 7 to prevent the Bill from being used in a way that prevents important public functions, such as those of a judicial nature, from being amended in a way that stops them being exercised independently of Ministers. On consultation, we have required that Ministers consult on their proposals before laying a draft order before Parliament. The Bill now provides the option of selecting an enhanced scrutiny procedure for any draft order, giving Parliament and its Committees 60 days to consider a proposal and make representations to Ministers. Clause 12 sunsets the contents of the schedules after five years.

In summary, the reforms we have proposed and that have been debated again today will produce a leaner and more effective system of public bodies centred on the principle of ministerial accountability. We have listened intently to the comments and concerns expressed during the debate and recognise that there are areas where the Government can helpfully produce further clarity and assurance, and the Deputy Leader of the House and I look forward to continuing to engage with hon. Members in Committee and elsewhere.

However, I reiterate my hope that the House can come together in support of the belief that ministerial accountability for public functions and the use of public money should be at the heart of how we conduct ourselves. The Government believe that the proposals embodied in the Bill and in our plans for a regular comprehensive review of all public bodies will set a new standard for the management and review of public bodies, and on that basis I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 231, Noes 307.

Division No. 321] **[9.59 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*

Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lilian Greenwood and Gregg McClymont

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard

Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Norman Lamb

Question accordingly negatived.

Question put forthwith (Standing Order No. 62(2)), That the Bill be now read a Second Time.

Question agreed to.

Bill accordingly read a Second time.

PUBLIC BODIES BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order No. 83A(7)),

That the following provisions shall apply to the Public Bodies Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 13 October 2011.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*(Stephen Crabb.)*

The House divided: Ayes 304, Noes 229.

Division No. 322] **[10.15 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Graham, Richard

Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Norman Lamb

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha

Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Lilian Greenwood and Gregg McClymont

Question accordingly agreed to.

PUBLIC BODIES BILL [*LORDS*] (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Public Bodies Bill [*Lords*], it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by a Minister of the Crown in consequence of the Act or an order under the Act; and

(b) any increase attributable to such an order in the sums which under any other Act are payable out of money so provided.—*(Miss Chloe Smith.)*

Question agreed to.

PUBLIC BODIES BILL [*LORDS*] (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Public Bodies Bill [*Lords*], it is expedient to authorise the making of provision under the Act in relation to income tax, corporation tax, capital gains tax, stamp duty, stamp duty reserve tax or stamp duty land tax in connection with a transfer of property, rights or liabilities by a scheme under the Act.—*(Miss Chloe Smith.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, we shall take motions 7 and 8 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Charities

That the draft Charities Act 2006 (Changes in Exempt Charities) Order 2011, which was laid before this House on 12 May, be approved.

That the draft Charities Act 2006 (Principal Regulators of Exempt Charities) Regulations 2011, which were laid before this House on 12 May, be approved.—*(Miss Chloe Smith.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Equality

That the draft Equality Act 2010 (Work on Ships and Hovercraft) Regulations 2011, which were laid before this House on 13 May, be approved.—*(Miss Chloe Smith.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 13 July (Standing Order No. 41A).

Mr Speaker: With the leave of the House, we shall take motions 10 to 13 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

OFFENDER MANAGEMENT

That the draft Co-operation in Public Protection Arrangements (UK Border Agency) Order 2011, which was laid before this House on 23 May, be approved.

ELECTRONIC COMMUNICATIONS

That the draft Communications Act 2003 (Maximum Penalty for Contravention of Information Requirements) Order 2011, which was laid before this House on 23 May, be approved.

ENERGY

That the draft Renewable Heat Incentive (Amendment to the Energy Act 2008) Regulations 2011, which were laid before this House on 20 June, be approved.

That the draft Renewable Heat Incentive Regulations 2011, which were laid before this House on 20 June, be approved.—*(Miss Chloe Smith.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EQUALITY

That the draft Equality Act 2010 (Specific Duties) Regulations 2011, which were laid before this House on 27 June, be approved.—*(Miss Chloe Smith.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 13 July (Standing Order No. 41A).

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

EUROPEAN SEMESTER OF ECONOMIC POLICY CO-ORDINATION

That this House takes note of European Union Documents No. 11491/11, relating to a Commission communication on concluding the first European Semester of economic policy co-ordination, No. 11196/11: relating to a Draft Council Recommendation on the UK's National Reform Programme 2011 and a Council opinion on its updated Convergence Programme for 2011-2014, and No. SEC(2011)736, relating to a Commission Staff Working Document on the assessment of the UK's 2011 National Reform Programme and Convergence Programme; welcomes the Commission's support for the Government's efforts to reduce the deficit, which is consistent with the conclusions reached by the IMF and the OECD in their recent reviews of the UK economy; welcomes the conclusion of the first European Semester, but notes the Government's maintenance of the scrutiny reserve at Council and European Council as part of its concerns about a timetable which has not permitted proper Parliamentary scrutiny; welcomes the Government's intention to press for more timely publication of these documents in future; and welcomes the Government's policy of securing assurances that the UK cannot be subject to sanctions in respect of the Stability and Growth Pact under existing Treaty provisions or proposed new legislation on economic governance.—*(Miss Chloe Smith.)*

Question agreed to.

POLITICAL AND CONSTITUTIONAL REFORM COMMITTEE

Ordered,

That Yasmin Qureshi be added to the Political and Constitutional Reform Committee.—*(Miss Chloe Smith.)*

Youth Unemployment (Walsall)

Motion made, and Question proposed, That this House do now adjourn.—*(Miss Chloe Smith.)*

Mr Speaker: Before I ask the hon. Member for Walsall North (Mr Winnick) to rise from his seat, I appeal to Members leaving the Chamber to do so quickly and quietly, in order to afford the same courtesy to the hon. Gentleman that they would wish to be extended to them in the same circumstances.

10.31 pm

Mr David Winnick (Walsall North) (Lab): Thank you, Mr Speaker.

I applied for this debate in view of the serious youth unemployment in the Walsall area and particularly in my constituency. The latest figures show that, in my constituency, just under 16% of people in the 18 to 24 age group are claiming jobseeker's allowance. I am pleased to see the Secretary of State for Work and Pensions on the Front Bench tonight, as well as the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling). I should point out to them that that rate of just under 16% is the third highest in England. The situation in the other parts of the borough is not much different, and it is certainly still higher than the national average.

Let me state what should be obvious: unemployment is a curse to all those seeking work, and no less so to young people who want to get started in life. I emphasise again, as I have done in this House over the years, that we ourselves do not wish to become unemployed through losing our seats at any stage, and that we are always anxious to find work, and the same applies to the overwhelming majority of those who are registered unemployed.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith) *indicated assent.*

Mr Winnick: I am glad to see the Secretary of State nodding in agreement. There is understandably considerable concern over the position locally. I fear a return to the situation in the 1980s, when two major recessions had a devastating effect not only on the borough but on the black country and on the west midlands in general.

Let me give the House an illustration of the situation nearly 26 years ago. In September 1985, more than one fifth of the age group that I am referring to were on unemployment benefit in the borough of Walsall. The situation improved over a period of time, and it certainly did so in the first years of this century. In May 2004, the youth unemployment percentage in Walsall was down to 7%. Even then, however, it was higher than the national average. I ask the Ministers to tell the House when we are likely to see the percentage go down to that figure that pertained seven years ago. Last year, youth unemployment rose in the three constituencies of Walsall North, Walsall South and Aldridge-Brownhills.

I do not challenge the fact that as the global recession took effect from 2008 onwards, unemployment grew. It is clear; the figures show it. I am not going to dispute what is, after all, quite obvious. There are bound to be continuing debates about how to deal with the recession and, indeed, about how it came about. My purpose tonight, however, is not to engage in that wider debate—there will be many opportunities in which I am sure I will participate—but to concentrate on the borough and the particular constituency of Walsall North that I represent and on what can be done to provide more opportunities for those without employment. That is the purpose of tonight's Adjournment debate.

The sharp decline in manufacturing—what is sometimes referred to as metal-bashing—is clearly an important factor, not only for Walsall, but for what are usually described as the four black country boroughs. Walsall council's latest review, looking at the overall employment situation in the borough, noted that in 2009, quite a number of new enterprises arose. That was very good. Unfortunately, however, there were quite a significant number of job losses. The net loss in 2009 was somewhere in the region of 285 jobs. Yes, jobs come in, but too many also go out.

As for vacancies, the figures show that 10.8 people—I use the exact figure—go after every job. I hope that there will be no disagreement about the fiction that there are jobs here and jobs there, so that those registered as unemployed—whether in the 18 to 24 age group or older—are not particularly keen to get work and are not willing to try to get it. All that is absolute fiction. I have seen reports in the paper on many occasions that when a vacancy occurs, there are sometimes as many as 40, 50 or even 100 people applying for it. As I said at the start, if we take the view, with which Ministers agreed, that those who are unemployed are keen and want to work, it is not surprising that people chase after vacancies and take every opportunity to try either to get into work for the first time or to get back into work.

What I want to find out tonight is what steps the Government intend to take, particularly in boroughs like mine. Let me point out again that this borough is the third highest in England for youth unemployment. What measures are the Government going to take? What feeling can people in my constituency and in the borough have for the fact that the Government recognise the urgency of the position and are willing to act on it?

I know that a number of measures have been publicised. Insofar as they are positive and will bring work and bring down unemployment, I will obviously welcome them. It would be strange otherwise. However, I ask Ministers when these measures that have been mentioned and published are going to come into effect. Have any of the measures on youth unemployment yet come into effect? Moreover, what priority will the Minister give in his reply to areas of high youth unemployment? It is important for him to answer that question.

There is no doubt that we need more apprentices. It is unfortunate that, more in my part of the country than in other areas, too many leave school at the first opportunity. Here we are talking about the under-18s. In a debate on education maintenance allowance that I initiated in January, I demonstrated that the percentage who received the allowance in the borough and in my constituency was very high indeed.

As the House knows, EMA is paid to those who stay at school after the age of 16 when the income of their households is relatively low. Unfortunately, the Government took measures to undermine the allowance. I do not know whether that is a controversial thing for me to say in a debate in which I have tried to avoid controversy,

but I do know that the steps taken by the last Government through EMA to encourage 16-year-olds to stay at school were very useful. It is clear that more training opportunities are needed, so that those who leave school at 16 or 17—which I think we all agree is too early—can obtain the necessary skills and need not spend years, perhaps the rest of their working lives, in unskilled work with all the insecurities that that involves.

I said that I had applied for the debate because of the seriousness of the situation, and it is indeed a serious situation. As a constituency Member, I have a duty to do what I can to highlight the difficulties and bring them to the attention of the House of Commons, which, after all, is one of the responsibilities of a Member of Parliament. I have done that in the past, and I shall continue to do it for as long as I sit in the House. I hope that the Minister will be able to satisfy me that the measures announced by the Government will be effective, and will come into operation soon.

10.41 pm

The Minister of State, Department for Work and Pensions (Chris Grayling): We meet again, Mr Speaker, although not quite as late as the last occasion on which we debated youth unemployment in the Chamber.

I congratulate the hon. Member for Walsall North (Mr Winnick) on securing the debate, and also on the measured way in which he addressed what I regard as a very serious issue. We have had quite a few debates about it, and I must say that his approach was commendable in comparison with that of some Members to whom I have listened.

I share the hon. Gentleman's concern about the issue, and about the future of young people in his constituency. Let me tell him about the measures that we are taking to address the problem. It is a long-standing problem, not simply a problem of the recession years. During the past decade, from 2003-04 until the present day, there has been a steady increase in youth unemployment in this country—even during what have been relatively prosperous times economically—although the national figures for the last two months show a significant drop, which is of course welcome.

The hon. Gentleman was right to focus on the number of young people in his constituency who receive jobseeker's allowance. All too often people focus on the number of unemployed people according to the International Labour Organisation measure, which includes a substantial number of full-time students and somewhat distorts the true picture. As the hon. Gentleman will know, in his constituency there has been a small increase—small in comparison with the previous position—in the number of unemployed young people receiving JSA over the last 12 months, but there was a much bigger and fairly steady increase over the previous decade.

There is indeed a problem that we must address, and to which we must deliver solutions. One of those solutions involves stimulating economic growth in what are still challenging times economically. We are particularly concerned about regions where there have been significant economic changes, where there is a smaller private sector than we might wish and higher public sector employment than in other areas, and where there is a particular labour market challenge. The regional growth fund—we announced the first tranche of RGF projects recently, and will announce further projects in due course—is designed to stimulate and support manufacturing, research and related areas of business in parts of the country where we need to build up and strengthen the manufacturing base, the research base and the skills base.

I would argue—I suspect this might be a point of difference between the hon. Gentleman and me—that the measures we are taking to address the deficit, challenging though they may be, are a necessary part of creating a stable economic environment where businesses will grow and invest and create jobs. Over the past 12 months there has been good growth in private sector employment in the UK. About 500,000 new private sector jobs, the majority of them full-time, have been created over that period, but it remains a concern that, despite that, there has been very little change in the numbers on jobseeker's allowance. That is certainly the experience for young people in the hon. Gentleman's constituency.

Job opportunities have been created, therefore, but we are not seeing people move into those jobs, so what do we do about that? There are three particular steps that we are taking. The hon. Gentleman asked when some of the measures we have proposed will be put into action, and my answer is that they are in place now. They are relatively new—they are in the early stages—but they are there, and we are working hard now to address some of the concerns that the hon. Gentleman raised.

Let me now describe those three key parts—they are not the only parts—of our strategy. The first issue is how we might provide support for the shorter-term unemployed young people, to get them into the workplace. The vast majority of young people who sign on to JSA are in work within a few months. Of those who have been out of work for nine months, only a small proportion of those who signed on on day one are still out of work. For that first group who get into work in the shorter term, we want to accelerate the process and make sure they move into work without spending those first few months on JSA looking for work.

Crucially, that is where our work experience scheme comes into play. It has its origins in an e-mail I received from the mother of a teenage girl shortly after I was appointed to my post last year. She said her daughter had just sorted out a month's work experience for herself, and that it was clearly the right thing for her to do, but that she had been told by the jobcentre that if she did that work she would lose her benefits. That is clearly a mad situation, and we swiftly moved to address it. What we have done is turn that on its head, by saying that it is a good thing for young people to do work experience, as it gives them a first taste of the workplace and a period of time to prove to a potential employer that they have skills that that employer might wish to retain, and so we are now allowing young people to do up to eight weeks of work experience while continuing to claim JSA.

Furthermore, our Jobcentre Plus employer relations teams around the country are actively looking for work experience opportunities for young people. At the last count, we had about 35,000 committed placements over the next year. We have already placed many thousands of young people into work experience opportunities, and we are starting to see some of them move into employment as a result of that, some staying with those who provided the work experience. It will take time for

[Chris Grayling]

the programme to build right across all the young people who could potentially benefit from it, but I am very keen about this, particularly this summer when another generation of school and college leavers will be coming into the labour market. Our team in Jobcentre Plus will be working hard to give those young people a rapid opportunity to gain real work experience, and not for one week or two weeks, but for an extended period with the hope that in many cases the employer who takes them on will take a look at that young person and say, "Actually, they're rather good. I'd like to be able to keep them, and we'll offer them a position." That has certainly been our experience so far; that is what has been happening in a number of cases. Even if there is not a job opportunity for the young person, we hope that that couple of months of experience—and, I hope, a positive reference from the employer—will give them a leg-up in applying for a further vacancy.

The second part of the equation is also crucial to our strategy to help young people. It is the big increase in the number of apprenticeships. We took a decision very early on, because we think apprenticeships are a better path to help young people down than some of the schemes we inherited from the previous Government. I know that there has been great debate about the future jobs fund, but our view is that a big increase in the number of apprenticeships, with almost 100,000 extra over the past year, is a better way of providing long-term opportunities. This is not simply about the training that people gain as apprentices; the skills they gain in the workplace over an extended period lasting one, two or three years are much more likely to give a young person the foundation for a long-term career. The increase in the number of apprenticeships that we have seen over the past few months will be sustained over the course of this Parliament. These apprenticeships will be available to the young people leaving school and college this summer, and it is very much my hope that many young people who go through those two months of work experience will then be able to stay on as apprentices. I am absolutely of the view that the increased number of apprenticeships is a crucial part of dealing with the issues in the hon. Gentleman's constituency, which he rightly raises.

Mr Winnick: I am listening carefully to what the Minister is saying, but it does not alter the fact that the number of apprenticeships in my constituency remains very small compared with elsewhere. I am still wondering how extensive the concentration will be on the areas—this is not just about my constituency, by any means—where the level of unemployment is so high among young people.

Chris Grayling: This is very much about us collectively, by which I mean the hon. Gentleman, as a Member of Parliament, and Ministers in overseeing Jobcentre Plus and in our work to try to engage employers in the work experience scheme. One of our key goals has to be to encourage employers to get involved in the apprenticeship scheme and take on apprentices. I think that taking on a good apprentice is a very good way for the employer to add skills at a relatively low cost to their organisation, and we can all play a part in helping that to happen. I give him an absolute commitment that we in the Department for Work and Pensions, in partnership with the Minister for Further Education, Skills and Lifelong Learning in the Department for Business, Innovation and Skills, will work extremely hard to engage employers, including in the hon. Gentleman's area. I know that his area contains some very good employers and some employers who have recruited from overseas in the past. I would much rather see them recruiting local apprentices, developing them and giving them opportunities. We are very happy to work with him to do anything we can to help engage and involve employers in his constituency. If he is not already in discussion with the employer outreach team in Jobcentre Plus in his area, I would be happy to arrange for such discussions to take place.

The third and newest piece of our jigsaw puzzle to deal with this problem is the introduction of the Work programme, which began in mid-June in the hon. Gentleman's area. We have a good team of providers in the Birmingham area, who will have centres all around the west midlands—there will be centres in Walsall, Wolverhampton and Birmingham. I strongly believe that the Work programme provides the additional piece that is needed to deal with longer-term youth unemployment and, in particular, to help those who have come from the most challenged backgrounds. I have no doubt that some of the jobseeker's allowance claimants in his constituency, to whom he refers, are young people who have come out of some of the most challenging backgrounds, and who have left school early without proper skills development and without qualifications. They may well have come from workless households, where they have not had experience of a parent going out to work in the morning. They represent one of the biggest challenges we face in the labour market. Helping them, motivating them and guiding them towards an entry into the labour market is an extremely important challenge for us, and I see it as a central part of what the Work programme providers are there to do.

The Work programme is very clearly intended to be a revolution in the way in which we deliver welfare to work, and I have been visiting providers today in the east midlands to talk about what they are doing. That revolution is most clearly to be found in two things. The first is the freedoms we are giving private, voluntary and public sector organisations involved in the Work programme and working together in teams to decide what works best, to adapt to change and to pursue best practice but, above all, to find the best way of helping people to move into the workplace and stay there. The second crucial part of this revolution is the fact that the scheme is based on payment by results. For the first three years of seven-year contracts, the providers will get a small up-front payment and after that no up-front payment at all; the next money they see will come when someone has been in work for six months. They will have a real incentive to find the best practice and particularly to match individuals to the right vacancy to help them stay in work over a sustained period.

Mr Winnick: I asked the Minister when we were likely to return to the situation we faced in 2004. In my remarks, I have tried to avoid controversy so far as it is possible for me to do so, but he will know that I disagree with the Government's overall economic policy as I think it is deepening the economic downturn. Having said that—I very much mean it, too, as I think the

present economic policy is far too severe—may I ask when my part of the world is likely to see the same sort of situation with youth unemployment, if not adult unemployment, as we did in 2004?

Chris Grayling: I would love to get a crystal ball out for the hon. Gentleman, but sadly I am not an economic forecaster and I would not want to try to make such an estimate. The official forecasts from the Office for Budget Responsibility, however, expect an increase in employment over the next four years, even after we take into account job losses in the public sector, of just under 1 million positions. Over the past 12 months, private sector employment around the country has increased by about 500,000.

Our key goal should be to ensure that young people in the hon. Gentleman's constituency and their counterparts elsewhere who are on jobseeker's allowance and who are struggling to get into work get all the help they need to take advantage of those jobs as they are created. The OBR will continue to publish forecasts and it is our intention to pursue a growth agenda that fosters and encourages business growth and the creation of jobs. I hope that as the OBR reflects circumstances and the impact of our policies, we will get closer to being able to give him an answer, but I fear that I cannot do that tonight.

I will say, however, that the increase the hon. Gentleman has seen is not simply down to the recession. It is a longer-term trend and problem. Employers are reluctant to take young people straight from school, college and university and sometimes it is easier to recruit from overseas. Our job, as well as that of the teams delivering the work experience opportunities, those delivering apprenticeship opportunities and those working extremely hard on the Work programme, is to ensure that those young people take advantage and get into the vacancies as and when they arise. That will give a generation of young people a genuine opportunity to move into work.

I do not want to see a large number of young people stranded on benefits for years and years and I share the hon. Gentleman's aspiration to tackle the youth unemployment problem. I am happy to continue to work with him to discuss the issues in his constituency and to encourage our Jobcentre Plus teams to work with him to address those problems. I give him a commitment that youth unemployment in his constituency, and around the country, is a priority for us and we will do everything we can to ease it. We believe it should be at the very top of the Government's agenda and it will continue to be there until we have cracked it.

Question put and agreed to.

10.58 pm

House adjourned.

House of Commons

Wednesday 13 July 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON (NO. 2) BILL [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Tuesday 6 September.

MULL OF KINTYRE REVIEW

Resolved,

That an Humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report, dated 13 July 2011, of the Mull of Kintyre Review: An independent Review to examine all available evidence relating to the findings of the Board of Inquiry into the fatal accident at the Mull of Kintyre on 2 June 1994.—(*Miss Chloe Smith.*)

CONTINGENCIES FUND ACCOUNT 2010-11

Ordered,

That there be laid before this House an Account of the Contingencies Fund, 2010-11, showing—

(1) a Statement of Financial Position;

(2) a Statement of Cash Flows; and

(3) Notes to the Account; together with the Certificate and Report of the Comptroller and Auditor General thereon.—(*Miss Chloe Smith.*)

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Smallholder Farmers (Climate Change)

1. **Caroline Lucas** (Brighton, Pavilion) (Green): How much and what proportion of his Department's funding for climate change adaptation and mitigation projects it has provided to smallholder farmers in the last 12 months. [65536]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): Smallholder farmers are particularly vulnerable to climate change. Fifty per cent. of the United Kingdom's £1.5 billion fast-start commitment will help developing countries to adapt to it, and a significant share will benefit smallholder farmers. In Kenya, for instance, we support research on improved early warning so that farmers can adjust their cropping strategies to increase production.

Caroline Lucas: Two weeks ago 20 pastoralists were killed in central Somalia following a dispute about access to water for their livestock, and people are starving and dying now as a result of the terrible drought and famine in the horn of Africa. Will the Minister press for a specific day to be set aside for discussion of smallholder farmers and food security at the upcoming COP 17, the 17th United Nations conference on climate change?

Mr O'Brien: As I am sure the hon. Lady knows, we do not control the agenda, but she has made a powerful representation—which others will hear—in suggesting that priority should be given to the plight of smallholder farmers at that important meeting. In particular, it must be ensured that the cause of disputes which can get in the way of humanitarian aid is not perpetuated.

Dan Byles (North Warwickshire) (Con): Has the Minister had any discussions with the Department for Environment, Food and Rural Affairs about the possibility of using his own Department's expertise to advise United Kingdom farmers on climate change mitigation?

Mr O'Brien: Read-across does take place when a huge commitment is made to research enabling DFID to help smallholder farmers. For instance, the Foresight report, which was commissioned by the Government, benefited from a great deal of expertise drawn from UK farmers. The result has been of mutual benefit, which is another reason for concluding that the aid programme is in our mutual interests.

Rushanara Ali (Bethnal Green and Bow) (Lab): Does the Minister agree that most climate-related finance should take the form of grants rather than loans? That is only fair to people in developing countries who suffer from the effects of climate change but who, in the main, did not cause it. Will the Minister tell us what proportion of our climate-related finance takes the form of loans rather than grants?

Mr O'Brien: As I am sure the hon. Lady will recognise, to start from the premise that finance should take the form of either loans or grants is to start at the wrong end of the question. The first question that should be asked is "What will best achieve the desired result and give the most help to vulnerable smallholder farmers?" That said, most of the finance does take the form of grants, and, as the hon. Lady knows, 50% of it is being provided through the international climate fund to help smallholder farmers to adapt.

Burundi

2. **Caroline Nokes** (Romsey and Southampton North) (Con): What recent assessment he has made of his Department's work in Burundi; and if he will make a statement. [65537]

The Secretary of State for International Development (Mr Andrew Mitchell): From 2012, DFID's work in Burundi will focus on supporting regional integration into the east African community through the British-led organisation TradeMark East Africa, which has opened an office in Burundi which DFID is funding. That is the right way for us to help the people of Burundi, rather

than aid being provided through a small, expensive and duplicatory bilateral programme.

Caroline Nokes: During a recent visit to Burundi, the vicar of Romsey and a group of parishioners found that one of the biggest problems was a critical lack of access to fresh water. Would the Secretary of State be prepared to meet them to discuss what they found, and how aid can be provided most effectively?

Mr Mitchell: My hon. Friend has made a good point. I believe that I met the vicar during a visit at the time of the general election, but I, or one of my fellow Ministers, would be happy to meet him and some of my hon. Friend's constituents to discuss this important matter.

Richard Burden (Birmingham, Northfield) (Lab): The Secretary of State did not say in his opening remarks that Britain is winding down its aid programme in Burundi, a country in which more than 80% of the population live on less than $1.25 a day. What specific assurances can he give that other donors will take up the programmes in which Britain has been involved in so far?

Mr Mitchell: The hon. Gentleman will be aware that Germany, Belgium and France have much larger bilateral programmes in Burundi than Britain. We are providing only 3.6% of the funding through our bilateral programme, but we have to make tough decisions about how we spend our budget. It is, after all, hard-earned taxpayers' money, and we do not think it provides good value for money to have such a small programme with such high administrative expenses. I can tell the hon. Gentleman, however, that through multilateral support over the next few years Britain will spend about double the sum of the old bilateral programme.

Bilateral Aid (India)

3. **Barry Gardiner** (Brent North) (Lab): What assessment he has made of the performance of his Department's bilateral aid programmes with Indian states. [65538]

The Secretary of State for International Development (Mr Andrew Mitchell): The bilateral aid review demonstrates that DFID's programmes with Indian states yield strong development results with good value for money. The Independent Commission for Aid Impact will evaluate the India programme as part of its work in 2011.

Barry Gardiner: I welcome the Secretary of State's response. He has recently been urged to discontinue aid to India, but does he agree that for as long as India continues to have a third of the world's poor living within its borders, we will never achieve the millennium development goals unless that aid continues?

Mr Mitchell: The hon. Gentleman is right: India is a development paradox, as I have said before, and we are right to continue the programme for now. We have frozen the figure for the next four years, and we are moving to work only in the poorest states in India. As the hon. Gentleman has implied, there are more poor people in India than in the whole of sub-Saharan Africa.

Malcolm Bruce (Gordon) (LD): Will my right hon. Friend accept the International Development Committee recommendation to put more resources into sanitation and nutrition, as they have been shown to be the prime cause of poverty? Half the population of India has no access to sanitation and malnutrition rates among Indian children are among the worst in the world.

Mr Mitchell: My right hon. Friend is absolutely right. Half the children in the state of Bihar are suffering from malnutrition. His point about the programme is a good one. We are looking at increasing the amount we spend on water and sanitation, and all of us are extremely grateful for the strong all-party support his Committee gave to the Government policy on aid and development in India.

Gaza

4. **Fiona Mactaggart** (Slough) (Lab): What recent assessment he has made of the humanitarian needs of the people of Gaza; and if he will make a statement. [65539]

The Minister of State, Department for International Development (Mr Alan Duncan): The situation in Gaza is unacceptable and unsustainable. Perversely, the current access regime benefits Hamas and punishes the ordinary people of Gaza. In the last fortnight, I visited Israel and the west bank, as did the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North East Bedfordshire (Alistair Burt), who also visited Gaza. We both urged Israeli Ministers to recognise that the restrictions are not in Israel's interests and should be lifted.

Fiona Mactaggart: I thank the Minister for that reply. First, I am sure that my constituent, David Cole, who is currently in Gaza would like me to use this opportunity to thank those Government officials who eventually helped him to be able to get there. However, I know that he is concerned that the number of trucks going into Gaza is about a third less than the number that were able to go in before the blockade. I am glad the Minister has already made representations, but will he specifically ask the Israeli and Greek Governments why they will not allow unarmed humanitarian volunteers to deliver medical supplies to Gaza by boat, through the flotilla?

Mr Duncan: I thank the hon. Lady for her appreciative comments. It is the case that about 30 times more cement and 10 times more steel goes into Gaza through Hamas-controlled tunnels than through the crossings. At the current reconstruction rate, the United Nations Relief and Works Agency estimates it will take 78 years to rebuild Gaza. We put confidence in the conversations between Prime Minister Netanyahu and the Quartet representative Tony Blair, which took place in May, and hope they can have a more successful outcome than they have had so far.

Mike Freer (Finchley and Golders Green) (Con): Is it not true that more people enter Gaza from Egypt than from the tunnels in Israel? What can the Government do to stem this humanitarian crisis?

Mr Duncan: My hon. Friend is in some sense right, although the tunnels are in Egypt, not at the normal crossings from Israel. The volume of goods and mostly people—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Minister of State. I have been listening to the Minister of State for 20 years, and I want to carry on enjoying listening to him, and I want to be able to hear him.

Mr Duncan: Thank you, Mr Speaker; we are halfway there, perhaps.

My hon. Friend is right to say that much more comes in through the tunnels than through Israeli-approved access points. Perversely, that is assisting Hamas, which is something we would like to reverse.

Anas Sarwar (Glasgow Central) (Lab): Six months after the Arab spring, what discussions has the Minister had with the Egyptian authorities about relaxing the restrictions at the Rafah border crossing to ensure that essential humanitarian assistance can get into Gaza?

Mr Duncan: That is primarily a matter for the Foreign and Commonwealth Office. I have not had any such discussions, but I have had discussions with Israeli Ministers. As I said a moment ago, I hope that the representations made by the Quartet representative, Tony Blair, to Prime Minister Netanyahu can ease many of the restrictions that the Israelis are currently imposing.

Tuberculosis

5. **Annette Brooke** (Mid Dorset and North Poole) (LD): What recent assessment he has made of his Department's performance in the prevention and treatment of tuberculosis in developing countries. [65540]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): The UK has contributed to significant global progress in reducing deaths and illness from tuberculosis. Globally, 41 million people have been successfully treated since 1995, saving 6 million lives. The UK reaffirmed its commitment to tackling TB, including co-infection TB-HIV, in "UK aid: Changing lives, delivering results" and in the UK's position paper on HIV in the developing world. A paper on our broader approach to health, including TB, will be published later this year.

Annette Brooke: I thank the Minister for his answer and welcome the commitment to addressing TB-HIV co-infection. When will the future health paper be published? When will stakeholders be consulted on it? Will there be specific targets on the prevention, diagnosis and treatment of TB where patients are not co-infected with HIV?

Mr O'Brien: I am grateful to the hon. Lady for her question. It is very important to recognise that there has been no de-prioritisation of TB, as a huge amount of effort is being made to tackle it. That broader health context and the paper that will appear later this year will set out the priorities and how we will attempt to ensure that we are pushing on the right things to bring down the incidence of TB, which is falling globally. Most importantly, we need to recognise that this depends on the interrelationship with other workings of the health systems.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the Minister agree that one of the ways in which we will deal with the problems of global TB is through the development of new treatments? Is he aware of the work being done at the university of Strathclyde? Will he ensure that representations are made to ensure that research into the development of new TB drugs is continued?

Mr O'Brien: I am very grateful to the hon. Lady for that. She is right to pinpoint the fact that one of the difficulties in tackling TB is the emergence of very resistant strains. We are well aware of the research being done at the university of Strathclyde and elsewhere, which has a close link with the very big research commissioning programme for which DFID is responsible. I will be more than happy to pursue that in more detail later on.

Official Development Assistance

6. **Stephen Pound** (Ealing North) (Lab): What timetable he has set for the introduction of legislation to provide that 0.7% of gross national income is spent on official development assistance. [65541]

The Secretary of State for International Development (Mr Andrew Mitchell): The coalition Government have set out in the comprehensive spending review how we will meet our commitment to spend 0.7% of national income as overseas aid from 2013. We have made it clear that we will enshrine that commitment in law as soon as the parliamentary timetable allows.

Stephen Pound: I thank the Secretary of State for that comprehensive answer, and I wish that all his Cabinet colleagues were quite as enthusiastic and as committed. But can he give us a firm date, as "in the fullness of time" simply is not good enough in these circumstances?

Mr Mitchell: The hon. Gentleman, who is enormously experienced in the ways of Parliament, will know that that is not a matter for me as the Secretary of State for International Development; it is a matter for the business managers and the usual channels. I suggest that he refers his question, on an appropriate occasion, to one of them.

Philip Davies (Shipley) (Con): Any Government can spend as much money as they want on overseas aid if they want to do so. Lots of Departments have very important priorities, so why do we have to have a specific target in law for overseas aid and not for anything else? Is this not just ludicrous gesture politics, rather than anything that is actually meaningful?

Mr Mitchell: My hon. Friend is right to this extent: we could spend this hard-earned budget twice over, because there is need that we could satisfactorily address. But the world, many years ago, settled on a figure of 0.7%, and all of us have made a promise to stand by that commitment and the Government are absolutely

right, even in these difficult economic circumstances, not to seek to balance the books on the backs of the poorest people in the world.

Mr Speaker: Order. Far too many noisy private conversations are taking place on both sides of the House. I want to hear Harriet Harman.

Ms Harriet Harman (Camberwell and Peckham) (Lab): I strongly support the Secretary of State on the points he made. Will he join me in making the point that our aid is vital in the terrible situation for the people in the horn of Africa, where there is suffering on a massive scale? Will he also join me in paying tribute to the generosity of the British people in response to the Disasters Emergency Committee appeal? I strongly welcome his rapid response on Ethiopia, but what steps is he taking to ensure that other countries play their part, too, and what help is he giving to the people suffering in Somalia and Kenya?

Mr Mitchell: I thank the right hon. and learned Lady for her support. We are looking very carefully at how we can assist in Somalia, particularly in the south-central region where there is a weight of people crossing the border into northern Kenya. I expect to visit the region shortly to see what additional assistance can be given. The right hon. and learned Lady is also right that although there has been strong British leadership in all this, it is essential that other countries that can help put their shoulders to the wheel, too. We spend a lot of our time ensuring that others do precisely that.

Horn of Africa

7. **Peter Aldous** (Waveney) (Con): What recent assessment he has made of the food situation in the horn of Africa; and if he will make a statement. [65542]

The Secretary of State for International Development (Mr Andrew Mitchell): Up to 10 million people need emergency relief, especially in south-east Ethiopia, southern central Somalia and northern Kenya. We are seeing acute malnutrition in all these places. The crisis is provoked by the failure of the rains for two consecutive years and is characterised by the loss of crops and livestock, exacerbated by high food prices. The situation is unlikely to improve before the October rains.

Peter Aldous: Will the Secretary of State set out the steps that his Department is taking to build long-term resilience in the national agricultural systems in the countries in the horn of Africa so as to reduce the impact of potential crises such as the one they face?

Mr Mitchell: My hon. Friend is right to make it clear that food security over the longer term is the key way to tackle such disasters. It is also true, however, that it is no fault of the horn of Africa that there have been no rains for the past two years and that a serious situation has been exacerbated by that. I can tell him that there has been significant progress and over the past 20 years, for example, the incidence of acute malnutrition in Ethiopia has gone down by some 50%.

Ann Clwyd (Cynon Valley) (Lab): The Minister does not have to visit the region to know what the problem is. Every night on television we are seeing children dying, the elderly dying and livestock dying—it is obvious what is happening. The aid agencies are short of money and surely we can do more right now.

Mr Mitchell: I can reassure the right hon. Lady. We were the first people to make it clear that we would give strong support, helping 1.3 million people in Ethiopia and ensuring that mothers with babies and children—330,000 of them—would receive rapid support. The Disasters Emergency Committee appeal has kicked into play and we are considering additional support to that which we are already giving to take account of the situation that she described in southern Somalia and particularly in Dadaab, which is now the biggest refugee camp in the world.

Mr Edward Leigh (Gainsborough) (Con): The House is full, everybody is chattering, everybody is obsessed by Murdoch but millions of people are in danger of dying in the horn of Africa. Will my right hon. Friend assure me that this is an absolute priority for him and that all the bureaucratic restraints that stop help going in this uniquely challenging environment—usually useful things such as value for money and protecting our workers—will be laid aside and that he will go right in there and help those suffering people?

Mr Mitchell: My hon. Friend has eloquently made the case for the world taking urgent action to ensure that what is currently a crisis does not develop into a disaster. He has my assurance that the British Government are doing everything they can to help and I will, as I say, be going to Dadaab at the weekend with the head of the Disasters Emergency Committee appeal. Together, we will look to see what additional work Britain and the international community can do to help.

Topical Questions

T1. [65551] **Mr David Evennett** (Bexleyheath and Crayford) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for International Development (Mr Andrew Mitchell): We are delivering the results agenda through our 27 bilateral programmes and we are working to tackle the emergency unfolding in the horn of Africa. We are acting quickly and decisively, as I have said, to prevent this crisis from becoming a catastrophe. We are also continuing to co-ordinate Britain's contribution to post-conflict stabilisation in Libya for the time when the fighting is over. Since our last Question Time, Britain has chaired and led the drive to fund the next stage of the Global Alliance for Vaccines and Immunisation for the poor world.

Mr Evennett: I thank the Secretary of State for his response. With a record number of countries applying for vaccine funding from GAVI, what results does he expect to be achieved following last month's success at London's pledging conference of Ministers, business leaders and charities?

Mr Mitchell: My hon. Friend is right that the conference was an extraordinary success—exceeding the pledge target of $3.7 billion by some $600 million. As a result, the world will be able to vaccinate a quarter of a billion children over the next five years. Britain will vaccinate a child every two seconds and save a child's life every two minutes as a result of this initiative.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I am sure that all Members will join me in congratulating South Sudan on achieving independence at the weekend. The Government of South Sudan are now planning to review all their international oil contracts. Does the Minister agree that although our aid is important for desperately poor people in South Sudan, it is vital that global oil companies pay their fair share of their profits in tax in that country? Will he ensure that DFID uses its expertise to help South Sudan to get fair tax returns from the oil companies?

Mr Mitchell: The hon. Gentleman is right that that country has just been born and has $1.7 billion of revenues, and it is essential that the money is used transparently. Britain is a very strong leader on the extractive industries transparency initiative and my right hon. Friend the Chancellor of the Exchequer has made it clear that he expects the European Union to look at how it can develop its own version of the Dodd-Frank legislation that has been laid in the United States.

T6. [65556] **Neil Carmichael** (Stroud) (Con): Will my right hon. Friend update the House on the progress being made on developing resistance to malaria?

Mr Mitchell: My hon. Friend will have had a chance to read the detailed plan that has been set out. Britain is committed, over the next five years, to ensuring that the prevalence of malaria in the most affected countries is reduced by 50%. We believe that tackling malaria, which kills so many children needlessly every day, should be towards the top of our list of initiatives.

T2. [65552] **Lyn Brown** (West Ham) (Lab): I was privileged to be part of a delegation that visited the Democratic Republic of the Congo and monitored the last election there and I was really moved when I talked to women there about their experiences of rape and sexual violence. I would be very grateful if the Secretary of State would tell me what support he is managing to offer to Margot Wallstrom, the UN Secretary-General's special envoy on sexual violence in conflict.

Mr Mitchell: The hon. Lady is absolutely right. The tackling of sexual violence and violence against women is now embedded in all our bilateral programmes. In the DRC, the International Rescue Committee is doing outstanding work on this specific agenda, as I hope she will have seen during her visit. She has our commitment that the coalition Government have always said that putting girls and women at the forefront of our international development efforts is essential.

T7. [65557] **Peter Aldous** (Waveney) (Con): Following President Obama's decision to cut $800 million of aid to Pakistan, can the Secretary of State allay the concerns of some of my constituents that the UK's aid budget there is necessary and is being well spent?

Mr Mitchell: My hon. Friend is right. The $800 million is part of the US military budget. All of Britain's aid that is spent in Pakistan, which is particularly focused on trying to get 4 million children, especially girls, into school, is not spent through the Government. We are very anxious to ensure that there is always accountability to the British public and that aid is transparently used. Those policies will continue.

Mr Speaker: Clive Efford—not here.

T4. [65554] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): It is just 12 months since the devastating floods in Pakistan. Will the Secretary of State outline what support his Department has given to help rebuild that country?

Mr Mitchell: The hon. Lady is right that the floods had a devastating effect in Pakistan as I have seen for myself on my frequent visits there. Britain was at the forefront of the countries coming to support Pakistan when the floods struck and we have been very strongly engaged, not least in helping people to continue their livelihoods and in getting children back into school in the aftermath of, and recovery from, those floods.

T8. [65558] **Amber Rudd** (Hastings and Rye) (Con): In Afghanistan the depreciation of the afghani has sent the price of basic staples soaring by 7% in just one week. Has my right hon. Friend had conversations with the Afghanistan Government about how to improve food security, with the winter approaching?

Mr Mitchell: My hon. Friend is right that across the world, not just in Afghanistan, the price of food, particularly staples, has rocketed in recent months and years. Britain is specifically engaged in Afghanistan in trying to help secure the wheat harvest and ensuring that farmers have wheat seeds to plant. We focus on this area keenly for precisely the reasons that she has set out.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [65521] **Duncan Hames** (Chippenham) (LD): If he will list his official engagements for Wednesday 13 July.

The Prime Minister (Mr David Cameron): This morning I had meetings with ministerial colleagues and others, and in addition to my duties in the House, I shall have further such meetings later today.

Duncan Hames: Secretly deleting voicemails left for a missing teenager, buying the silence of public figures who would incriminate your business, and publishing the confidential medical details of a disabled child who just happens to have a famous father: I ask the Prime Minister—are any of these the actions of a fit and proper person?

The Prime Minister: My hon. Friend makes an extremely powerful point in a powerful way. We have to be clear about what is happening here. There is a firestorm, if you like, that is engulfing parts of the media, parts of the police and, indeed, our political system's ability to

respond. What we must do in the coming days and weeks is think above all of the victims, such as the Dowler family, who are watching this today, and make doubly sure that we get to the bottom of what happened and prosecute those who are guilty.

Edward Miliband (Doncaster North) (Lab): Yesterday I met the family of Milly Dowler, who have shown incredible bravery and strength in speaking out about what happened to them, the hacking of their daughter's phone, and their terrible treatment at the hands of the *News of the World*. I am sure the whole House will want to pay tribute to their courage and bravery. [HON. MEMBERS: "Hear, hear."] Does the Prime Minister now agree with me that it is an insult to the family that Rebekah Brooks, who was editor of the *News of the World* at the time, is still in her post at News International?

The Prime Minister: I have made it very clear that she was right to resign and that that resignation should have been accepted. There needs to be root-and-branch change at this entire organisation. It has now become increasingly clear that while everybody, to start with, wanted in some way to separate what was happening at News International and what is happening with BSkyB, that is simply not possible. What has happened at this company is disgraceful. It has got to be addressed at every level and they should stop thinking about mergers when they have to sort out the mess they have created.

Edward Miliband: I thank the Prime Minister for that answer. He is right to take the position that Rebekah Brooks should go. When such a serious cloud hangs over News Corporation, and with the abuses and the systematic pattern of deceit that we have seen, does he agree with me—he clearly does—that it would be quite wrong for them to expand their stake in the British media? Does he further agree that if the House of Commons speaks with one voice today—I hope the Prime Minister will come to the debate—Rupert Murdoch should drop his bid for BSkyB, recognise that the world has changed, and listen to this House of Commons?

The Prime Minister: I agree with what the right hon. Gentleman has said. It is good that the House of Commons is going to speak with one voice. As he knows, the Government have a job to do to act at all times within the law, and my right hon. Friend the Culture Secretary has to obey every aspect of the law—laws that were on the whole put in place by the last Government.

Chris Bryant (Rhondda) (Lab): Or change the law.

The Prime Minister: And yes, as the hon. Gentleman says, we should look at amending the laws. We should make sure that the "fit and proper" test is right. We should make sure that the Competition Act 1998 and the Enterprise Act 2002 are right. It is perfectly acceptable, at one and the same time, to obey the law as a Government but to send a message from the House of Commons that this business has got to stop the business of mergers and get on with the business of cleaning its stables.

Edward Miliband: I look forward to debating these issues with the Leader of the House, who will be speaking for the Government later in the debate. I know the Prime Minister is to make a statement shortly about the inquiry, but can he confirm something that we agreed last night—that we need to make sure that we get to the bottom not just of what happened at our newspapers, but of the relationships between politicians and the press? Does he agree that if we expect editors and members of the press to give evidence under oath, so should current and past politicians?

The Prime Minister: I agree with that. First, on the issue of the debate, we are debating now, which is right, and we are going to have a statement in the House of Commons, and I will stand here and answer questions from as many Members of Parliament who want to ask them. I think we should focus on the substance.

As the Leader of the Opposition said, we had an excellent meeting last night. We discussed the nature of the inquiry that needs to take place. We discussed the terms of reference. I sent those terms of reference to his office this morning. We have had some amendments. We are happy to accept those amendments. They will still be draft terms of reference, and I want to hear what the Dowler family and others have to say so that we can move ahead in a way that takes the whole country with us as we deal with this problem.

I also think that if we are going to say to the police, "You must be more transparent and cut out corruption", and if we are going to say to the media, "You must be more transparent and cut out this malpractice", then yes, the relationship between politicians and the media must change and we must be more transparent, too, about meetings, particularly with executives, editors, proprietors and the rest of it, and I will be setting out some proposals for precisely that in a minute or two.

Edward Miliband: I want to thank the Prime Minister for those answers; they are answers the whole country will have wanted to hear. Can I also ask him to clear up one specific issue? It has now been confirmed that his chief of staff and his director of strategy were given specific information before the general election by *The Guardian*. The information showed that Andy Coulson, while editing the *News of the World*, had hired Jonathan Rees, a man jailed for seven years for a criminal conspiracy and who had made payments to police on behalf of the *News of the World*. Can the Prime Minister tell us what happened to that significant information that was given to his chief of staff?

The Prime Minister: I would like to answer this, if I may, Mr Speaker, in full, and I do need to give a very full answer. First, all these questions relate to the fact that I hired a tabloid editor. I did so on the basis of assurances he gave me that he did not know about the phone hacking and was not involved in criminality. He gave those self-same assurances to the police, to a Select Committee of this House and under oath to a court of law. If it turns out he lied, it will not just be that he should not have been in government; it will be that he should be prosecuted. But I do believe that we must stick to the principle that you are innocent until proven guilty.

Now, let me deal directly with the information given to my office by figures from *The Guardian* in February last year. First, this information was not passed on to me, but let me be clear that this was not some secret stash of information; almost all of it was published in

The Guardian in February 2010, at the same time my office was approached. It contained no allegations directly linking Andy Coulson to illegal behaviour and it did not shed any further light on the issue of phone hacking, so it was not drawn to my attention by my office.

What is more, Mr Speaker—let me just make this point—I met the editor of *The Guardian* the very next month and he did not raise it with me once. I met him a year later and he did not raise it then either. Indeed, if this information is so significant, why have I been asked not one question about it at a press conference or in this House? The reason is that it did not add anything to the assurances that I was given. Let me say once more that if I was lied to, if the police were lied to, or if the Select Committee was lied to, it would be a matter of deep regret and a matter for a criminal prosecution. *[Interruption.]*

Mr Speaker: Order. Anybody might think that orchestrated noise is taking place—*[Interruption.]* Order. The House will come to order and these exchanges will continue in an orderly way.

Edward Miliband: The Prime Minister has just made a very important admission. He has admitted that his chief of staff was given information before the general election that Andy Coulson had hired a man who had been jailed for seven years for a criminal conspiracy and who made payments to the police on behalf of the *News of the World*. This evidence casts serious doubt on Mr Coulson's assurances that the phone hacking over which he resigned was an isolated example of illegal activity. The Prime Minister says that his chief of staff did not pass on this very serious information. Can he now tell us what action he proposes to take against his chief of staff?

The Prime Minister: I have given, I think, the fullest possible answer I could to the right hon. Gentleman. Let me just say this. He can stand there and ask questions about Andy Coulson. I can stand here and ask questions about Tom Baldwin. He can ask questions about my private office. I can ask questions about Damian McBride. But do you know what, Mr Speaker, I think the public and the victims of this appalling scandal want us to rise above this and deal with the problems that this country faces.

Edward Miliband: He just doesn't get it, Mr Speaker. I say this to the Prime Minister. He was warned by the Deputy Prime Minister about hiring Andy Coulson. He was warned by Lord Ashdown about hiring Andy Coulson. He has now admitted in the House of Commons today that his chief of staff was given complete evidence which contradicted Andy Coulson's previous account. The Prime Minister must now publish the fullest account of all the information that was provided and what he did and why those warnings went unheeded. Most of all, he should apologise for the catastrophic error of judgment he made in hiring Andy Coulson.

The Prime Minister: I am afraid, Mr Speaker, that the person who is not getting it is the Leader of the Opposition. What the public want us to do is address this firestorm. They want us to sort out bad practices at the media. They want us to fix the corruption in the police. They want a proper public inquiry. And they are entitled to ask, when these problems went on for so long, for so many years, what was it that happened in the last decade? When was the police investigation that did not work? Where was the public inquiry over the last 10 years? We have now got a full-on police investigation that will see proper prosecutions and, I hope, proper convictions, and we will have a public inquiry run by a judge to get to the bottom of this issue. That is the leadership I am determined to provide. *[Interruption.]*

Mr Speaker: Order. Mr David—*[Interruption.]* Order. Mr David—*[Interruption.]* Order. I say to the Children's Minister: try to calm down and behave like an adult, and if you cannot—if it is beyond you—leave the Chamber and we will manage without you. Mr David Ward.

Q2. [65522] **Mr David Ward** (Bradford East) (LD): Thank you, Mr Speaker. What a case of the—*[Interruption.]*

Mr Speaker: Order. This is intolerable behaviour as far as the public—*[Interruption.]* No, it is not funny. Only in your mind, Mr Loughton, is it funny. It is not funny at all; it is disgraceful.

Mr Ward: What a case of the pot calling the kettle black, but perhaps we can just have a pantomime interval for a moment. Is the Prime Minister aware that there are now young people in Bradford being quoted, without convictions or claims, £53,000 to insure their first car? These ridiculous premiums are being driven by insurance companies selling fresh details to personal injury lawyers. What are we going to do to outlaw—

Mr Speaker: Prime Minister.

The Prime Minister: My hon. Friend makes a very good point about the problem of referral fees that are driving up the cost of insurance for many people. The right hon. Member for Blackburn (Mr Straw) has made some very powerful points about this. There was a report to the Government calling for referral fees to be banned. I am very sympathetic to this, and I know my right hon. and learned Friend the Justice Secretary is too, and we hope to make some progress.

Q3. [65523] **Ian Lucas** (Wrexham) (Lab): Will the Prime Minister, if asked, give evidence to the judge-led public inquiry that he is setting up today?

The Prime Minister: Of course. The point about the inquiry, which I will be announcing in a moment or two, is that it will be judge led, it will take its powers from the Inquiries Act 2005, and it will be able to call people under oath. I think this is absolutely vital. As I say, there are three pillars to this. There is the issue of police corruption, there is the issue of what happened at the media, and there are also questions for politicians past, present and future.

Q4. [65524] **Matthew Hancock** (West Suffolk) (Con): My constituents are increasingly concerned about the deepening problems in the eurozone. Will the Prime Minister reassure me that he is doing everything he can to keep us out of it and to urge the eurozone to act?

The Prime Minister: My hon. Friend is right that we have got to stay out of the eurozone. Being a member of the euro would take away the flexibility we currently have. We have to remember that 40% of our exports go to eurozone countries. We should therefore be making constructive suggestions about proper stress tests for their banks, backed up by recapitalisation; involving the private sector to make Greece's debt burden more sustainable; and earning fiscal credibility through concrete action to reduce their excessive deficits. Basically, in my view eurozone countries have to recognise that they have to do more together and faster; they have to get ahead of the market rather than just respond to the next crisis.

Q5. [65525] **Mrs Mary Glindon** (North Tyneside) (Lab): Lord Ashdown says that he warned No. 10 last year of the terrible damage that it would suffer if Andy Coulson was appointed. Can the Prime Minister say precisely how he reacted to that powerful warning?

The Prime Minister: I made this point some moments ago. Of course, the decision to employ a tabloid editor meant that there were a number of people who said that it was not a good idea, particularly when that tabloid editor had been at the *News of the World* when bad things had happened. The decision I made was to accept the assurances that he gave me. As I have said, those assurances were given to the police, a Select Committee and a court of law. If I was lied to and others were lied to, that would be a matter of deep regret. I could not be clearer about it than that. We must ensure that we judge people as innocent until proven guilty.

Andrew Percy (Brigg and Goole) (Con): This week I received another e-mail from a constituent regarding metal and cable theft. This time, it told of an elderly lady who had a fall at home and was unable to raise the alarm because the cables in the village had been stolen for the second time in about as many weeks. This is a growing problem across the country. The legislation relating to this matter dates back to 1964. Please can we have an urgent review to ensure that scrap metal dealers who accept stolen metal are prevented from doing so and prosecuted?

The Prime Minister: I have every sympathy with my hon. Friend. There was a case in my constituency where the lead from the Witney church roof was stolen. I have been trying to ensure that these crimes are taken seriously by the police, because they put massive costs on to voluntary bodies, churches, charities and businesses. We must ensure that they are not seen as second-order crimes, because the level of this crime is growing and it is very worrying.

Q6. [65526] **Mr Tom Watson** (West Bromwich East) (Lab): The debate this afternoon will be vital, because it will show the House united in its revulsion at what was done to Milly Dowler's family. May I ask the Prime Minister to make urgent inquiries into whether families of the victims of 9/11 were similarly targeted by the criminals at News International? If they were, will he raise it with his counterpart in the United States?

The Prime Minister: I will certainly look at that. In the statement I am about to make, I will give some figures for just how many people's phones the Metropolitan police currently think were hacked and how many of them they have contacted so far. They have pledged to contact every single one. I met the Metropolitan Police Commissioner Paul Stephenson last night to seek further reassurances about the scale of the police operation that is under way. In what was—if we can put it this way—a mixed appearance by police officers at the Home Affairs Committee yesterday, I thought that Sue Akers, who is leading this investigation, acquitted herself extremely well. We should have confidence that the Metropolitan police will get to the bottom of this.

Q7. [65527] **Dr Thérèse Coffey** (Suffolk Coastal) (Con): With its ambition of being the greenest county, Suffolk is already committed to a low-carbon world with offshore wind farms, anaerobic digestion, nuclear power and a recycling rate of more than 60%. The Prime Minister is always welcome to visit. Will he give his backing to our local enterprise partnership's ambition to enhance skills training to fill the new job opportunities that will be created locally?

The Prime Minister: My hon. Friend makes a good point. I congratulate her on branding Suffolk as "the green coast". There is a big opportunity, particularly in the light of what my right hon. Friend the Secretary of State for Energy and Climate Change has said, in green jobs, renewable energy and new nuclear. A vital thing to encourage the inward investment that we want is to demonstrate that we will build up our skills base. That is where local enterprise partnerships can play such a valuable role.

Q8. [65528] **Rushanara Ali** (Bethnal Green and Bow) (Lab): Can the Prime Minister tell the House whether he had any conversations about phone hacking with Andy Coulson at the time of his resignation? Will he place in the Library a log of any meetings and phone calls between him and Andy Coulson following his resignation?

The Prime Minister: As I said, perhaps before the hon. Lady wrote her question—or had it written—of course I sought assurances from Andy Coulson and those assurances were given. *[Interruption.]* Yes, absolutely. Those assurances were given not just at the time to me but subsequently to the Select Committee and to a criminal case under oath. They were repeatedly given. Let me say again for the avoidance of any doubt that if those assurances turn out not to be true, the point is not just that he should not have worked in government, it is that he should, like others, face the full force of the law.

Q9. [65529] **Mr David Burrowes** (Enfield, Southgate) (Con): Can I raise with the Prime Minister a different case of hacking—the computer hacker Gary McKinnon? While I recognise that the Home Secretary has a legal process to follow, does the Prime Minister share the concern for my constituent's nine-year nightmare? He feels that his life is literally hanging by a thread that is waiting to be cut by extradition.

The Prime Minister: I do recognise the seriousness of this case, and the Deputy Prime Minister and I actually raised it with President Obama when he visited. I think the point is that it is not so much about the alleged offence, which everyone knows is a very serious offence, and we can understand why the Americans feel so

strongly about it. The case is now in front of my right hon. Friend the Home Secretary, who has to consider reports about Gary McKinnon's health and well-being. It is right that she does that in a proper and effectively—I am sorry to use the word again today—quasi-judicial way.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): In these days of a rush to make savage cuts in public spending, the decimation of the police service and the hammering of individuals because of the withdrawal of legal aid, can I ask the Prime Minister to justify the following expenditure? At the beginning of last month, a serviceman from Northern Ireland asked for a non-urgent pair of boots costing £45. They were dispatched from defence base Bicester by private courier to Northern Ireland, at a cost of £714.80. Is it not time the Prime Minister got a grip of this?

The Prime Minister: I know that former Health Ministers wanted to hear the rattle of every bedpan, and maybe I need to see the order of every pair of boots in the military, but I recognise the point the right hon. Gentleman makes. One of the things we are trying to do in the Ministry of Defence is recognise that there is a huge amount of back-office and logistics costs, and we want to make that more efficient so that we can actually spend money on the front line. The example he gives is a good one, and I shall check it out and see if we can save some money.

Q10. [65530] **Mr Graham Stuart** (Beverley and Holderness) (Con): Can the Prime Minister assure the House that all illegal press activity under the last Government will be investigated now, and that that will include the criminal conspiracy between the highest levels in that last Government and parts of the Murdoch empire, including the blagging of bank accounts of Lord Ashcroft in a bid to undermine him and his position as laid out in "Dirty politics, Dirty times"?

The Prime Minister: The point about the inquiry that we are shortly going to discuss is that it will look at the relationship between politicians and media groups, across the whole issue of that relationship including as it relates to media policy. I think that is extremely important. The inquiry will have the ability to call politicians—serving politicians and previous Prime Ministers—to get to the bottom of what happened and how unhealthy the relationship was. That is what needs to happen.

Margaret Hodge (Barking) (Lab): On Monday, the MOD permanent secretary told the Public Accounts Committee that the Prime Minister himself blocked the National Audit Office from accessing relevant National Security Council documents. The auditors considered them essential to assess whether the decisions on the aircraft carrier in the defence review represented value for money. That refusal is unprecedented. In the interests of full transparency and accountability to Parliament, will the Prime Minister now agree to immediately release the information that the NAO needs?

The Prime Minister: The short answer is that we were following precedent, but the long answer is that if the right hon. Lady wants me to come to her Committee and explain what an appalling set of decisions the last Government made on aircraft carriers, I will. The delay alone by the Government whom she worked for added £1.6 billion to the cost of the aircraft carriers. So if she wants me to turn up and not just tell her what we discussed in Cabinet but lay out the full detail of the waste that her Government were responsible for, name the day.

Q11. [65531] **Malcolm Bruce** (Gordon) (LD): Following a question from me to the Prime Minister's predecessor three and a half years ago, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) set up pilot schemes to provide sign language support for deaf parents and their children in Devon and Merseyside. Those have now been completed, and they were a huge success. Will the Prime Minister meet a delegation of deaf parents, their children and their representatives to discuss how that sign language support can be extended to all children and their parents across the UK?

The Prime Minister: My right hon. Friend makes a very good point. We do a lot to support different languages throughout the UK. Signing is an incredibly valuable language for many people in our country. Those pilot schemes were successful. I looked at what the previous Prime Minister said to him when he asked that question, and I will certainly arrange a meeting for him with the Department for Education to see how we can take this forward.

Mr Geoffrey Robinson (Coventry North West) (Lab): My question to the Prime Minister concerns the contract for the Thameslink rail programme. As he will be aware, that is of great concern throughout the House, and with 20,000 manufacturing jobs at risk, it is right that it should be. Will he confirm that no contract has yet been signed, and indeed that no contract can be let or signed until the funding package is determined? That is a complicated process.

This is the heart of my question to the Prime Minister: given that the funding package—*[Interruption.]* Twenty thousand jobs are at stake! Given that 20,000 jobs are at risk, will the Prime Minister look at holding the competition for that funding package with the Secretary of State for Trade—

Mr Speaker: Order. I think we have got it.

The Prime Minister: I know that the right hon. Gentleman cares deeply about this issue. Bombardier is a great company, and it has a great future in our country. We want to see it succeed, but I have to say that in this case, the procurement process was designed and initiated by the previous Government. This Government were bound by the criteria that they set, and therefore we have to continue with a decision that has been made according to those criteria. But we are now looking at all the EU rules and the procurement rules to see whether we can change and make better for future issues like that one.

Q12. [65532] **Stephen Mosley** (City of Chester) (Con): Will the Prime Minister join me in calling for the electrification of the Crewe to Chester railway line, which would provide a major and immediate boost to people in Chester and beyond in north Wales? That would also eventually link us to the much needed High Speed 2.

The Prime Minister: I am well aware of this campaign. I seem to remember spending a lot of time at Crewe station during the last Parliament, normally accompanied by people dressed in top hat and tails—some of my colleagues will remember that.

My hon. Friend's suggestion is not in the current programme, but we will look sympathetically at it. We want to see more electrification of railway lines in our country.

Gavin Shuker (Luton South) (Lab/Co-op): The right hon. Gentleman's Government said that university tuition fees would average £7,500, but in actual fact they average £8,400. How can he open the UK taxpayer to such a liability of £0.8 billion over this Parliament?

The Prime Minister: Let me give the hon. Gentleman some of the figures. Only nine universities are charging £9,000 for every student; 58 universities will not charge £9,000 for any of their courses; and 108 out of 124 further education colleges will charge less than £6,000 for all their courses. However, the point I would make is this: university degrees have not suddenly started to cost £7,000, £8,000 or £9,000; they have always cost that. The question is this: do we ask graduates to pay—successful graduates who are earning more than £21,000—or do we ask the taxpayers to pay? The money does not grow on trees. We have made our choice, and the Labour party, which introduced tuition fees, must come up with its answer.

Q13. [65533] **Mr James Clappison** (Hertsmere) (Con): Amid the turmoil in other European economies caused by the euro, is not it essential that this country continues to take steps to reduce its debt, and that it steers clear of paying for any future EU bail-out, whatever advice to the contrary the Prime Minister receives from the Opposition?

The Prime Minister: The point I would make is this: the problem is not only the restrictions of the euro, but the building up of unsustainable levels of debt. Although we are out of the euro, that does not mean that we do not have to deal with our debts—we absolutely do. However, we have the opportunity of being quite a safe haven for people. We can actually see our market interest rates come down because of the action that this Government are taking. We must keep that up, but we must also recognise that the eurozone sorting out its own problems is in our interests, so we must be helpful and constructive with the work that needs to be done.

Q14. [65534] **Yvonne Fovargue** (Makerfield) (Lab): Last week, I was approached about a fee-paying debt management company that had advised its client to take out a remortgage for £50,000 to pay his debts. The company paid £11,000 to his creditors and went out of business, taking the rest of his money. I have many other examples like this. Self-regulation simply is not working in this industry. Will the Prime Minister urgently consider regulating the sector and provide the Office of Fair Trading with the resources necessary to take enforcement action swiftly so that vulnerable people do not continue to be ripped off?

The Prime Minister: I know that the hon. Lady has not just constituency experience of this but managed a citizens advice bureau, and so has huge experience of people with debt problems. Citizens Advice is probably the finest organisation in our country for helping people with debt. I will certainly consider her suggestion to consider whether the sector can be better regulated, what we can do to support citizens advice bureaux at this difficult time, and the issue of credit unions and how we can lead to their expansion.

Q15. [65535] **Gavin Barwell** (Croydon Central) (Con): The whole House will share the outrage that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) expressed this week about the publication of private medical information relating to his son. He also said that when he was Prime Minister he tried to set up a judicial inquiry into phone hacking. Will my right hon. Friend tell me what detailed preparatory work he inherited?

The Prime Minister: I have every sympathy with my predecessor, particularly over the blagging of his details by a newspaper, if that is what happened. In public life we are all subject to huge amounts of extra scrutiny, and that is fair, but it is not fair when laws are broken. We have all suffered from this, and the fact is that we have all been too silent about it. That is part of the problem. Your bins are gone through by some media organisation, but you hold back from dealing with it because you want good relations with the media. We need some honesty about this issue on a cross-party basis so that we can take on this problem.

I have to say that I did not inherit any work on a public inquiry, but I am determined that the one we will set up, with the support of the right hon. Gentleman the Leader of the Opposition, will get the job done.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): The 45th international children's games will come to the fair county of Lanarkshire at the start of August. Some 1,500 12 to 15-year-olds will participate in nine sports across the county. Will the Prime Minister congratulate two Labour local authorities—North Lanarkshire council and South Lanarkshire council—on their foresight in bidding for and hosting the games? Will he send a representative of the Government to the event?

The Prime Minister: I certainly congratulate the two local authorities. Tragically, there are not too many Conservative local authorities I can congratulate in Scotland. However, I am happy to congratulate the hon. Gentleman's. It sounds like an excellent initiative, and I wish everyone taking part the very best of luck.

Zac Goldsmith (Richmond Park) (Con): Will the Prime Minister confirm that all witnesses to all aspects of the promised inquiry will be required to give evidence under oath?

The Prime Minister: As I will explain in a minute, there will be one inquiry but with two parts, and it will be led by a judge, who will be the one who will eventually agree the terms of reference, set out the way it will work and be responsible for calling people under oath.

Phone Hacking

12.33 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I would like to make a statement. In recent days, the whole country has been shocked by the revelations of the phone hacking scandal. What this country—and the House—has to confront is an episode that is, frankly, disgraceful: accusations of widespread lawbreaking by parts of our press: alleged corruption by some police officers; and, as we have just discussed, the failure of our political system over many, many years to tackle a problem that has been getting worse. We must at all times keep the real victims at the front and centre of this debate. Relatives of those who died at the hands of terrorism, war heroes and murder victims—people who have already suffered in a way that we can barely imagine—have been made to suffer all over again.

I believe that we all want the same thing: press, police and politicians who serve the public. Last night the Deputy Prime Minister and I met the Leader of the Opposition. I also met the Chairs of the Culture, Media and Sport Committee, the Home Affairs Committee and the Justice Committee to discuss the best way forward. Following these consultations, I want to set out today how we intend to proceed: first, on the public inquiry; secondly, on the issues surrounding News International's proposed takeover of BSkyB; and thirdly, on ethics in the police service and its relationship with the press.

Before I do that, I will update the House on the current criminal investigation into phone hacking. I met Sir Paul Stephenson last night. He assured me that the investigation is fully resourced. It is one of the largest currently under way in the country, and is being carried out by a completely different team from the one that carried out the original investigation. It is being led by Deputy Assistant Commissioner Sue Akers, who I believe impressed the Home Affairs Committee yesterday. Her team is looking through 11,000 pages containing 3,870 names, and around 4,000 mobile and 5,000 landline phone numbers. The team has contacted 170 people so far, and will contact every single person named in those documents. The commissioner's office informed me this morning that the team has so far made eight arrests and undertaken numerous interviews.

Let me now turn to the action that the Government are taking. Last week in the House I set out our intention to establish an independent public inquiry into phone hacking and other illegal practices in the British press. We have looked carefully at what the nature of the inquiry should be. We want it to be one that is as robust as possible—one that can get to the truth fastest and also get to work the quickest, and, vitally, one that commands the full confidence of the public. Clearly there are two pieces of work that have to be done. First, we need a full investigation into wrongdoing in the press and the police, including the failure of the first police investigation. Secondly, we need a review of regulation of the press. We would like to get on with both those elements as quickly as possible, while being mindful of the ongoing criminal investigations. So, after listening carefully, we have decided that the best way to proceed is with one inquiry, but in two parts.

I can tell the House that the inquiry will be led by one of the most senior judges in the country, Lord Justice Leveson. He will report to both the Home Secretary and the Secretary of State for Culture, Media and Sport. The inquiry will be established under the Inquiries Act 2005, which means that it will have the power to summon witnesses, including newspaper reporters, management, proprietors, policemen and politicians of all parties, to give evidence under oath and in public.

Mr Ronnie Campbell (Blyth Valley) (Lab): Murdoch?

The Prime Minister: Proprietors were included in that list.

Starting as soon as possible, Lord Justice Leveson, assisted by a panel of senior independent figures with relevant expertise in media, broadcasting, regulation and government will inquire into the culture, practices and ethics of the press; its relationship with the police; the failure of the current system of regulation; the contacts made, and discussions had, between national newspapers and politicians; why previous warnings about press misconduct were not heeded; and the issue of cross-media ownership. He will make recommendations for a new, more effective way of regulating the press—one that supports its freedom, plurality and independence from Government, but which also demands the highest ethical and professional standards. He will also make recommendations about the future conduct of relations between politicians and the press. That part of the inquiry we hope will report within 12 months.

The second part of the inquiry will examine the extent of unlawful or improper conduct at the *News of the World* and other newspapers, and the way in which management failures may have allowed it to happen. That part of the inquiry will also look into the original police investigation and the issue of corrupt payments to police officers, and will consider the implications for the relationships between newspapers and the police. Lord Justice Leveson has agreed to these draft terms of reference. I am placing them in the Library today, and we will send them to the devolved Administrations. No one should be in any doubt of our intention to get to the bottom of the truth and learn the lessons for the future.

Next is the issue of News International's bid to take over BSkyB. By the day, we are hearing shocking allegations: allegations that royal protection officers were in the pay of the *News of the World* and handed over the contact details of the royal family for profit; and allegations that the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), had his personal details blagged by another News International title. As both the alleged nature of the malpractice and the scope of the newspapers involved widen, serious questions must be asked about News Corporation's proposed takeover of BSkyB. Added to this, News Corporation has withdrawn its proposed undertakings in lieu of reference to the Competition Commission. That is why on Monday my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport referred the bid to the Competition Commission. The relevant independent authorities will now have the time to take an exhaustive look at all the relevant issues and come to a considered decision on whether the takeover should proceed. It will then be up to the Secretary of State to make the final decision, in his quasi-judicial capacity.

[The Prime Minister]

In every way we are following—and we must follow—the law with respect to News International's proposed acquisition of BSkyB, but let me repeat what I said on Monday. In my view, this business should be focused not on mergers and takeovers, but on clearing up the mess and getting its house in order, and that is what the House will be voting on tonight. Let me also say this. The people involved, whether they were directly responsible for the wrongdoing, whether they sanctioned it or whether they covered it up, and however high or low they go, must not only be brought to justice; they must also have no future role in running a media company in our country.

Now let me turn to the issue of ethics in the police, and in particular their relationship with the press. Of course it is important that there is a good relationship between the media and the police. Police often use newspapers and other media to hunt down wanted criminals and to appeal for information. However, allegations have been made that some corrupt police officers may have taken payments from newspapers. And there are wider concerns that the relationship between the police and the press can also be too close.

When I spoke to Sir Paul Stephenson yesterday, he made it clear that he is as determined as I am that all aspects of the police relationship with the media should be beyond reproach. On the allegation concerning improper payments to police officers, I can assure the House that the Metropolitan police immediately referred the case to the Independent Police Complaints Commission. Since then, the IPCC's most senior commissioner has been supervising the Met's work to identify the officers who may have taken these payments. As soon as any officers are identified, the commission has publicly made it clear that it will move to a full independent investigation drawing on all the available expertise necessary so that the public are reassured.

My right hon. Friend the Home Secretary has been assured by the commission that it has both the powers and the resources needed to see this through. It will go wherever the evidence leads it, and it will have full powers to investigate fully any police wrongdoing that it might uncover. The Home Secretary has also today commissioned a report from the IPCC on its experience of investigating corruption in the police service and any lessons that can be learned. The initial findings of this will be delivered to her by the end of the summer. I can also tell the House that in addition to the work of the judicial inquiry on the wider relationship between the police and the press, Sir Paul Stephenson is looking to invite a senior public figure to advise him on the ethics that should underpin that relationship for his own force, the Metropolitan police. In particular, this figure will advise him on how to ensure maximum transparency and public confidence in how the arrangements are working.

As we discussed a few moments ago, if we are calling for greater transparency from the police, I think it is only right that we provide it in Government, too. After all, as I have said, one of the reasons why we got into this situation is because, over the decades, politicians and the press have spent time courting support, not confronting the problems. So I will be consulting the Cabinet Secretary on an amendment to the ministerial code to require Ministers to record all meetings with newspaper and other media proprietors, senior editors and executives, regardless of the nature of the meeting. Permanent secretaries and special advisers will also be required to record such meetings. This information should be published quarterly. It is a first for our country, and alongside the other steps we are taking, will help to make the UK Government one of the most transparent in the world. I will also be discussing this with the Opposition, and perhaps we can adopt it on a cross-party basis.

After this statement I will be meeting the family of Milly Dowler. None of us can imagine what they have gone through, but I do know that they, like everyone else in this country, want their politicians—all of us—to bring this ugly chapter to a close, and ensure that nothing like it can ever happen again. It is in that spirit that I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): I start by thanking the Prime Minister for his statement, and for the meeting last night. The revelations of the past week have shocked the whole country, and the public now rightly expect those of us in this House, who represent them, to provide not just an echo of that shock but the leadership necessary to start putting things right. That is why it is in the interests of the whole House and the country that we move forward swiftly, comprehensively and, wherever possible, on an agreed basis.

Let me ask the Prime Minister first about the timing, nature and scope of the inquiry. I welcome the establishment of the inquiry today. Can he confirm that it will be staffed and up and running before the recess? Can he also confirm that, from the moment the judge is appointed today, it will be an offence for anyone to destroy documents related to the issues of the inquiry? And can the Prime Minister tell us what steps he will be taking to preserve documents in Downing street that might be relevant to the judge's inquiry?

Turning to how the inquiry will operate, we welcome a number of aspects of today's announcement that clearly build on the way forward that we have been calling for. It is right that there should be a single judge-led inquiry; we have made it clear that it must be judge led if it is to get to the bottom of what happened and when. Can the Prime Minister confirm that it is being set up under the Inquiries Act 2005, and that it will have the power to compel witnesses? Will he explain how he envisages the judge and the panel that he mentioned operating together?

As for the scope of the inquiry, in his press conference last Friday the Prime Minister set out a number of areas that he envisaged being covered, and he has gone further today. I think it is right that the Government have now decided to follow our advice, and the clear views of the Hacked Off campaign and the Dowler family, in opting for a far broader inquiry.

Does the Prime Minister agree with me that yesterday's important sitting of the Home Affairs Select Committee made it very clear that questions about the relationship between the media and the police run far wider than what was covered by the first investigation? We must take the steps necessary to restore the public's faith in the police's ability to hold to account all those who have broken the law.

Similarly, it can only be right that the inquiry has been broadened to include the relationship between politicians and the press. On the specifics of that—the relationship between politicians and the press, and the relationship between the police and the press—can the Prime Minister assure the House that these aspects of the inquiry will be very much judge led, and that those who appear as witnesses to the inquiry will be under oath? [HON. MEMBERS: "He said that!"] If that is the case, I welcome it.

Alongside these important questions about behaviour in Britain's newsrooms, the police and the relationship between politicians and the press, a number of additional issues need consideration. On the issue of media regulation, does he agree that our instinct should continue to be for self-regulation; but does he further agree that it needs to be proved that self-regulation can be made to work? Will he comment on the work being done on privacy issues and explain whether he sees that as being part of this investigation?

I welcome the decision to make cross-media ownership part of the inquiry. Does he agree with me that abuses of power are more likely to happen where there are excessive concentrations of power? Will he confirm that the recommendations made under this inquiry can be legislated for in the Government's forthcoming communications Act? May I suggest that it would be wise for him to bring that Act forward from its currently planned date of 2015?

Finally, I welcome the Prime Minister's proposals about transparency. I hope and expect he will ensure that that proposal is implemented in a retrospective way back to the last general election, so he will publish all the details—[HON. MEMBERS: "Ah!"] So he will publish all the details of the meetings he had, and I will publish all the details of the meetings I had. Let me end by saying that people such as the Dowler family, and other members of the public who are the innocent victims of phone hacking, deserve a full and comprehensive inquiry. They need us to get on with the inquiry, to make it fully comprehensive and to get to the truth. They have my commitment and that of my party to make sure that we do everything to make that happen.

The Prime Minister: I thank the right hon. Gentleman for the helpful meeting we had last night and for the constructive attitude that he is showing in trying to get the terms of reference right and to get the inquiry under way in an agreed format. I will try to answer his questions as directly as I can.

The inquiry will start at once, in the sense of getting the terms of reference published: they will have to be consulted on and sent to the devolved institutions; we have to draw up the names for the panel—but we are not going to waste any time with that. We will get on with it. On the issue of destroying evidence, let me be clear that once a criminal investigation is under way it is a crime to destroy any evidence that could possibly relate to it—and everyone needs to bear that in mind.

Yes, this inquiry will be established under the Inquiries Act. As for the relationship between the judge and the panel, that is an important point. The panel, whose members have not yet been approached and appointed, must have a range of expertise available to it, including specialised understanding of newspaper media, but also wider than that. Those panel members will assist the judge in the work he does. As I said to the right hon. Gentleman last night, we would welcome suggestions of names of people who could bring expertise to bear.

Yes, the inquiry is now a broad one, as the right hon. Gentleman said. I think that is right, but we need to make sure that we put quite a tight time frame on it, as we need to see results. It is right to look at issues such as cross-media ownership, but it is possible to spend for ever looking at ways of measuring that, and we have to be careful that we do not have this going on for years without reaching a conclusion.

On relationships between the police and the press, and between politicians and the press—yes, everyone whom the judge wishes to call can be called to testify under oath. On the issue of media regulation, I prefer to call what we need to aim for independent regulation rather than self-regulation, which has quite a bad name now because it missed too many things. I do not want to move to a world of full statutory regulation. I worked in an industry—television—that was statutorily regulated, and it works, but I do not think it is right for the press. However, we will have to be guided by what the inquiry finds. As parties looking at the matter, I hope we do not get into a bidding war—I think that the right hon. Gentleman understands what I mean. Let us shoot for independent regulation if we can.

On the issue of privacy, of course the inquiry will consider it, but perhaps the inquiry will also look at the very good work that I know will be done by the Select Committees, on privacy and super-injunctions. On legislation, we will do that as necessary: we have a forward legislative programme, but let us see what proposals are made.

On transparency, I am consulting on the proposal to make much more transparent what Ministers do, including not just business meetings but social meetings. It is worth asking whether we should go further on meetings with journalists, as the police might want to do. I am happy to discuss how far the right hon. Gentleman wants that to go back: it was a slight case of, "Make me transparent, but not yet," as he proposed stopping at the election, but let us have a good look at that.

Several hon. Members *rose—*

Mr Speaker: Order. A very large number of colleagues wish to catch my eye, so I appeal to each Back Bencher to ask a single short supplementary question, and to the Prime Minister for his characteristically economical replies.

Mr John Whittingdale (Maldon) (Con): I welcome the Prime Minister's statement, and thank him for consulting me, and my two fellow Select Committee Chairmen, about the terms of reference last night. Although there is no doubt that we need a stronger system of regulation of the press in this country, will the Prime Minister bear in mind that although it was newspapers that were responsible for these wholly unacceptable and often illegal activities, it was also newspapers that exposed them? I hope he will agree that a free press is a fundamental cornerstone of a free society, and that we must do nothing to jeopardise that.

The Prime Minister: My hon. Friend speaks very good sense about this matter. Ultimately, we want not just a free press, but a free and vigorous press, which can

[The Prime Minister]

make our lives miserable a lot of the time. That is absolutely vital. There will be those in the press who will be made nervous of a judge-led inquiry covering all the aspects of this matter, and I stress the importance of the panel in assisting the judge to ensure that the changes proposed are based on evidence of what matters and what works.

Mr Ben Bradshaw (Exeter) (Lab): Given what the Prime Minister has said, will he now publish details of all the discussions that he and the Culture Secretary have had with News Corporation representatives since he entered Downing street? A week ago, when I asked the Prime Minister why the Government did not refer the BSkyB bid to the Competition Commission when Labour recommended it, he said:

"You would look pretty for a day, but useless for a week."—[*Official Report*, 6 July 2011; Vol. 530, c. 1510.]

Does he regret that answer?

The Prime Minister: What has happened here is a massive firestorm of allegations that have got worse and worse. On both sides of the House, all of us started from the proposition that we had to keep separate the investigations that were taking place and the inquiry into BSkyB. I believe that we are now getting it right, and if the right hon. Gentleman has played a role by pushing and asking questions, I pay tribute to him. He, too, was a Culture Secretary, and knows about these issues. Just as I say to him, "Well done for pushing," I suspect that he should also be saying to himself, "Why did we miss this for so long?"

Simon Hughes (Bermondsey and Old Southwark) (LD): I thank the Prime Minister for his decisive announcement and for the work that he and the Deputy Prime Minister have done to ensure that the concerns that my colleagues have been expressing for 17 years, and the calls for an inquiry that we have been making for two years, have at last been accepted.

Will the inquiry look into the Information Commissioner's reports of 2006, and why his confirmation that 31 media titles and 305 journalists were involved in illegal activities in relation to personal information were not the subject of implementation of recommendations by the Labour party in government, whose leadership continued, even as late as last December, to accuse my right hon. Friend the Business Secretary of being too critical of Murdoch?

The Prime Minister: To be fair to my right hon. Friend, the issue of the Information Commissioner's reports—particularly the two reports he mentions—really is a rebuke not just to the previous Government but to the then Opposition. We too should have made more of those reports, which included some very important detail about what was going wrong in data handling, data theft and the rest of it. We must ensure that the inquiry asks the question, "Why were they ignored, and what are we going to do about it now?"

Mr Jack Straw (Blackburn) (Lab): May I commend the Prime Minister on the appointment of Lord Justice Leveson, who, as I am sure the Justice Secretary will confirm, is a man of the highest intelligence and integrity, and extremely well equipped to take on the job? On the future regulation of the press, I urge the Prime Minister not to fall into the trap that some in the press are setting, by asserting that any degree of statutory regulation is bound to lead to an end of self-regulation. Given that Express Newspapers has withdrawn from the Press Complaints Commission, as it did in January, will he acknowledge that some measures may have to be imposed by statute so that there is a stronger system of self-regulation?

The Prime Minister: The right hon. Gentleman speaks some very wise words. There are ways of setting up a regulatory system that is effectively independent, that is non-statutory, that does not have the Government's fingertips all over it, as it were, and that can do a good and trusted job, as we see in the case of advertising standards. In any case, this matter will not now be for us, but for the inquiry, and it is important that the inquiry should look into it carefully.

Nicola Blackwood (Oxford West and Abingdon) (Con): I welcome the Prime Minister's statement and the terms of the public inquiry that he set out, but will the public inquiry consider the role that mobile phone companies have played in the scandal, and will there also be consideration of the responsibilities that they may have to their clients, to protect their privacy?

The Prime Minister: My hon. Friend makes a good point. It takes, as it were, two to blag—someone to ask, and someone to give. We do need to consider the matter. The inquiry will have a huge amount of evidence to go through, and it will need to ensure that it has proper technical expertise to get to the bottom of the matter.

Keith Vaz (Leicester East) (Lab): May I also welcome the inquiry and thank the Prime Minister for consulting the Home Affairs Committee on the terms of reference? He seems to have included our suggestions in his statement today. He is right to say that the Committee was concerned by some of the evidence that we received yesterday, but we were very impressed by Deputy Assistant Commissioner Sue Akers, who is going through the list at the rate of 30 victims a month, and has about 12,000 telephone numbers to go through. If the Met requires further resources, is the Prime Minister able to give it what it needs?

The Prime Minister: I thank the right hon. Gentleman for his approach and the constructive suggestions that he made last night, many of which we have put into the terms of reference. We will also consider some of his thoughts on the membership of the panel. Obviously, it is for the Met to decide how it distributes its resources. Sue Akers has two inquiries going on: one into the phone hacking at the *News of the World* and elsewhere, and one into corruption within the Met—and that inquiry is now reporting to the Independent Police Complaints Commission, which might take over part of it, although of course the police must have operational independence.

Nicky Morgan (Loughborough) (Con): The Prime Minister is absolutely right to concentrate on wider issues than the BSkyB takeover. Is it not the case, however, that over the past few years, all those whom the public expect to behave—bankers, MPs, journalists, the police—have shown, or at least some of them have

shown, that they are not capable of meeting that trust. Regulation plays a part, but is it not the case that all those who have positions of responsibility must examine their consciences and work out how best to behave in future to maintain public trust?

The Prime Minister: My hon. Friend makes a good point. No regulatory system in the world can protect against all bad practice, and a sense of social and moral responsibility is vital, whether one is a banker, an MP or a journalist. I am sure that we can do better than the current system, because on the evidence of what has happened over the past 10 years and the warnings that have been ignored, it is clear that the Press Complaints Commission is not set up in the right way, and has not worked.

Bridget Phillipson (Houghton and Sunderland South) (Lab): There has been serious disquiet about whether it was appropriate for former senior public servants to take up roles with News International. One example is Andy Hayman, who took a job with News International very soon after leaving the Metropolitan police; another is the former Director of Public Prosecutions, Lord Macdonald. Will the inquiry be able to consider the appropriateness of that, given the damage that it does to public confidence?

The Prime Minister: As the hon. Lady knows, in politics we have huge levels of transparency in relation to jobs that former Ministers can go into, and we also have a committee dealing with appointments to ensure that there is an appropriate gap. However, she has made a good point, and I am sure that the committee of inquiry will want to consider it.

Sir Menzies Campbell (North East Fife) (LD): The inquiry announced by my right hon. Friend involves a very wide set of responsibilities. Can he be satisfied that the proper balance will be struck in the conduct of that inquiry—that, for example, we will not allow justifiable annoyance about the activities of tabloid newspapers to obscure the fact that the behaviour, competence and integrity of the Metropolitan police is of equal importance, not least because it extends to many other areas of activity in the country?

The Prime Minister: Perhaps it is worth my explaining why we decided, in the end, to have one inquiry rather than two. I think that the problem with the original concept of two inquiries is that the one that was going to be judge-led and investigating the wrongdoing would not really have been able to get under way until much of the criminal prosecution was finished, so the second inquiry—the media inquiry—would race away with conclusions. That was not going to work and be sustainable, and I do not think it would have resulted in such a positive outcome as the one that I think we will see. Nevertheless, my right hon. and learned Friend has made a good point. If we have a broad inquiry, we must ensure that it gets its priorities right within the terms of reference, and I am sure that the judge whom we have appointed will do just that.

Chris Bryant (Rhondda) (Lab): Yesterday afternoon we heard that the man who is in charge of counter-terrorism in the Metropolitan police is 99% certain that his phone was hacked. An hour later, I was shown a piece of kit that costs about £1,500 and is readily available on the internet. It effectively sets up an illegal mobile phone mast through which it is possible to listen to any conversation held by anyone on a mobile phone within three miles.

As I have said, that device is publicly available. It is illegal to use it, but private investigators are using it all the time. Is it not vital for the inquiry also to examine the role of private investigators, and the shocking fact that there is absolutely no regulation of them?

The Prime Minister: The hon. Gentleman has made a good point. One of the features of an inquiry such as this is that the terms of reference are set out and we can agree them and refine them, but in the end the judge will determine where to go on the basis of where the evidence leads. If the judge concludes that that is an important point, he or she can go absolutely down that track.

Mr David Ruffley (Bury St Edmunds) (Con): In 2003, the Select Committee on Culture, Media and Sport asked for an investigation of the practice by journalists of making illegal payments to the police. Does the Prime Minister agree that those in charge of the inquiry should interview former Labour Ministers to discover why they appear to have taken absolutely no action at the time?

The Prime Minister: My hon. Friend has made a good point, but I think that if we are to try to get this right, we must all put our hands up and say, "Yes, of course the last Government should have done more to respond to the Richard Thomas reports and the DCMS reports, but we must also ask why the Opposition did not press them more to do so." We shall all have to answer questions on that basis, and look through the reports and see what was suggested, what was the evidence, and what more could have been done. We will never solve this if we try to do it on a party basis; we must try to do it on a cross-party basis.

Mr Tom Watson (West Bromwich East) (Lab): I believe that if these measures are carried out, some good will come out of evil. I find myself in the slightly embarrassing position of being able to commend all three party leaders on coming together to ensure that that happens, and I thank them for doing so.

May I ask the Prime Minister whether he would allow Lord Justice Leveson access to the intelligence services as well? At the murkier ends of this scandal, there are allegations that rogue elements of those services have very close dealings with executives at News International, and we need to get to the bottom of that.

The Prime Minister: Let me say to the hon. Gentleman that the judge can take the inquiry in any direction in which the evidence leads it. He, like others, is free to make submissions to the inquiry, point out evidence, point out conclusions from that evidence, and ask the inquiry to follow that. As well as wanting a broad, independent and tough inquiry, we want some early results—some early harvest—and I am sure that the inquiry will produce that as well.

Mr Robert Buckland (South Swindon) (Con): Will the ambit of the judicial inquiry focus on the need to enable ordinary members of the public, such as bereaved families of service personnel who have given their lives for this country, to seek and achieve legitimate

[Mr Robert Buckland]

redress of grievances through proper complaints against the media and their agents when they are guilty of malpractice?

The Prime Minister: That is a good point. We must keep the public, and the victims of what has now emerged, front and centre at all times. Of course we all, as politicians, have strong views about what has gone wrong, what might have happened to all of us and the rest of it, but, although some people have said that there is an element of "revenge for expenses", this has to be about the public and the victims. Politicians must be very careful. Yes, we want a good and robust system of self-regulation, but we must also be absolutely clear about wanting a strong, free, independent press that is able to challenge and to uncover wrongdoing, as it has done in this case.

Dr William McCrea (South Antrim) (DUP): Given the Prime Minister's acknowledgment that a cross-party consensus is essential, why has there been no consultation with the minority parties in the House? Do we just get the conclusions when they are arrived at? May I also ask whether the inquiry will extend to newsrooms in Northern Ireland as well as the other regions of the United Kingdom?

The Prime Minister: I apologise to the hon. Gentleman. That consultation simply was not possible in the time that was available to us. Let me stress, however, that these are draft terms of reference. In the end the judge must be comfortable with them and agree to them, but if the hon. Gentleman wishes to raise devolved issues with the Government and the judge, I am sure that we can ensure that that happens.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Some people find it difficult to sue newspapers that have lied about them because of the complexity and cost that that would involve. I hope the Prime Minister can assure me that the inquiry will look into how people on low incomes can be supported so that they can sue newspapers when they have been lied about.

The Prime Minister: Obviously one of the things that the inquiry will have to look into is how people can obtain redress from newspapers when they have been wronged. That has been looked into for many years, but the problem is that Governments have not acted. I believe that part of the solution is an effective regulatory system. If people end up having to sue a newspaper, things have gone too far. It ought to be possible to obtain proper redress through a regulatory system that has not just the confidence of the press but the confidence of the public: I think that is the key.

Barry Gardiner (Brent North) (Lab): Can the Prime Minister tell the House whether he had any conversations about phone hacking with Andy Coulson at the time of Mr Coulson's resignation—not his appointment—and will he place in the Library a log of any meetings and phone calls that have taken place between him and Andy Coulson since Mr Coulson's resignation?

The Prime Minister: Of course, all the time during Andy Coulson's employment, when articles were appearing and there was a storm of allegations, I had that conversation with him many times, because I had employed him. I had accepted his assurances: assurances which, as I have said, were given to many others. In the end, the reason for his resignation, the reason for his giving up on the second chance, was that he just felt that he could not go on doing the job, a job that he did well—no one denies that he did the job well—because of all the allegations. As for contacts, I have said what I have said about transparency, and I think that that is right.

Dr Julian Huppert (Cambridge) (LD): Yesterday I met representatives of Hacked Off, who have been campaigning for a full inquiry on behalf of victims from the Dowlers to Hugh Grant. They have a range of requirements for what they would consider to be a sufficiently full inquiry. Has the Prime Minister met them, and does he believe that his current proposals will meet their demands?

The Prime Minister: I shall be meeting representatives of Hacked Off this afternoon. I have looked carefully at the briefing notes that they have issued, and I also listened carefully to what was said by the hon. Gentleman's former colleague Evan Harris on the radio this morning. I think that we have reflected many of their concerns, and indeed some of their language, in the terms of reference, but I look forward to hearing what they have to say today. These are draft terms of reference, and, if they can be improved, we shall try to improve them.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Before the inquiries have been completed, if News Corporation does not heed the mood of the British public and does not heed the voice of the House of Commons this afternoon, will the Prime Minister be prepared to present a short Bill amending cross-media ownership rules, and also addressing the absence of limits to ownership of United Kingdom broadcasters by non-EU companies and non-EU nationals? There is not such an unfettered free market in the United States, for example.

The Prime Minister: I think it is difficult to bring forward specific legislation for a specific company; we have got to be a Government under the law. The hon. Gentleman shakes his head, but it is worth reminding Labour Members that a US-based company is able to purchase all of a UK broadcaster because of an Act that their Government passed.

Oliver Heald (North East Hertfordshire) (Con): I welcome the Leveson inquiry and agree very much with the Prime Minister that our focus should be on the innocent victims whom we have heard about recently, but he will be aware that there were concerns in the House that the hacking of telephones has impeded MPs in their work and interfered with freedom of expression, which is one of the most deeply felt and important aspects of our work. The Standards and Privileges Committee produced a report—its 14th report—on this subject. Will the Prime Minister ensure that it is fed into the inquiry and fully considered?

The Prime Minister: I will, of course, do that. This inquiry gives us an opportunity to look at some reports that a lot of work has gone into, but, sadly, that have gathered dust, rather than having been taken as seriously as perhaps they should have been.

Mr Dennis Skinner (Bolsover) (Lab): Everybody is aware that the reason why Murdoch had such tremendous power was that he had more than 40% of the print media, with television stations thrown in. It was not because of his amazing personality that politicians of all parties were in his pocket; it was because he had such power through the newspapers. In answer to the recent question of my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly), the Prime Minister said he did not want to strip Murdoch or anybody else of their titles. Will he therefore include in the inquiry's terms of reference that the judge can, if he so wishes, say that nobody should have more than one title or one television station? Will the Prime Minister agree to that, because without it this cancer on the body politic—Murdoch—will remain?

The Prime Minister: Of course, the inquiry can go where it wants to go; it can follow the evidence where it leads. I am sure the judge will want to produce an inquiry under the current law. That is what we have to do; we have to be a Government of the law. I do not agree with the hon. Gentleman that we cannot have a responsible company owning a television or radio licence and also a newspaper, but we do need rules about plurality. That is why the media have not only a competition policy that they have to obey, but some rules about plurality so we can make sure there is a decent share of voice—a number of different voices in our media. The hon. Gentleman shakes his head, but I am afraid that not enough was done over the last 10 years to make that happen.

Andrew Selous (South West Bedfordshire) (Con): We do not want anybody to be arrested in secret, but neither is it right that individual police officers should immediately contact their favourite journalist to let them know when someone is being arrested. Will the Prime Minister look at having a transparent and standard way of it being made public when someone has been arrested, so that this cannot happen in future?

The Prime Minister: My hon. Friend correctly identifies this as a problem, but I am not sure that I agree with his solution, although I will certainly look at it. It seems to me that it would be much better to try to have the same sort of transparency between the police and the media that we want between politicians and the media, because, in the end, I think transparency about media contacts would help to prevent the culture of leaking and briefing that has grown up in some parts of the police.

Helen Goodman (Bishop Auckland) (Lab): The Prime Minister's statement was a bit complex, but it sounds as if the decision on the takeover would be made before the end of the judicial inquiry and the police inquiries. Is that correct, because surely it is not right?

The Prime Minister: The problem we face is that we have a set of rules concerning competition policy, plurality and "fit and proper" tests that are all laid down in the law and have to be carried out by Ofcom, the competition authorities and, indeed, the Secretary of State. He has to obey the law—and these laws were, largely, put in place by the previous Government. The Competition Commission will look at this; it will take its time, but it cannot take for ever in making its recommendation. Then there will be a decision for the Secretary of State. We cannot do anything but obey the law, but what we are doing today—what the leaders of the Labour party and the Liberal Democrats and I are all doing—is making a clear statement about our opinion by saying to this business, "You can't go on pursuing a merger when you ought to be dealing with the mess you've got in your own business", and I think that is the best thing to do.

Tony Baldry (Banbury) (Con): Is blagging already a criminal offence, and if it is not, will it be made a criminal offence?

The Prime Minister: Unlike my hon. Friend, I am not a lawyer, but I believe it is a criminal offence, because someone who obtains information falsely is breaking the law. This is another aspect that I am sure the inquiry can look at, however.

Mr David Winnick (Walsall North) (Lab): Does the Prime Minister agree that some of the evidence given to the Home Affairs Committee yesterday must have come as a shock and a surprise? For instance, how can it be justified for the police to dine with the very people whom they are investigating, and is that not all the more reason why this inquiry is so necessary?

The Prime Minister: I agree. I watched some of the evidence, and that was very striking. Let us be frank about transparency: MPs have had to go through this over expenses and meetings and other things, and it is time for the police to address it, too. Transparency is the best answer. There are bound to be relationships between senior police leaders and senior media executives, not least because the police have to explain what they are trying to do, but if those relationships are transparent, people can know what is going on.

Mr Brian Binley (Northampton South) (Con): I welcome the Prime Minister's statement, and may I say that it is good to see him on the front foot? May I also remind him of a sentence in the statement? He stated that "Sir Paul Stephenson is looking to invite a senior public figure to advise him on the ethics that should underpin that relationship for his own force, the Metropolitan police." May I suggest that there is a wider need throughout the nation for such ethics to be applied, and may I ask the Prime Minister to take action to ensure that other forces are involved in this process?

The Prime Minister: Of course, relationships that have become unhealthy between some police officers and some media organisations are not just a problem in the Met, but as the Met is our premium and biggest force, I think that if it starts the process of not only transparency but the culture change that is necessary, that would set a good example to others.

Geraint Davies (Swansea West) (Lab/Co-op): In light of the information available to the Prime Minister on phone hacking, what techniques does he anticipate will be used to pressurise Ofcom over its decision as to whether Rupert and James Murdoch are fit and proper persons to run News International and BSkyB, and what action will he take to prevent any such intimidation?

The Prime Minister: The "fit and proper" test is a matter for Ofcom; it has to carry that out. It is right in this country that we do not ask individual politicians to make those individual decisions about who is fit and

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proper. We have also asked the Competition Commission to look at this issue. There is a separate issue, too: we need to allow Ofcom to make a "fit and proper" test at the point of full acquisition. That is a particular detail that we need to look at for the future.

Mr Graham Stuart (Beverley and Holderness) (Con): For the first time ever, I think, I agree with the hon. Member for Bolsover (Mr Skinner). What is most disturbing and murkiest about this whole situation is the relationship between politicians and the media. From the moment when Tony Blair flew to Australia back in the 1990s, that relationship has meant that successive leaders of major parties have felt it necessary to cosy-up to media moguls. May we have a situation in future in which party leaders do not go to the birthday parties of these people, and instead keep them at arm's length, so that the whole country can be assured that it is the public interest, not any media interest, that has power in the land?

The Prime Minister: The relationship did get unhealthy. It was too close and, as I have put it, too much time was spent courting the media and not enough time was spent confronting the problems, but let us be honest, we are not suddenly all going to become monks and live in a monastery. We have to have relationships so that politicians can try to persuade media organisations that they are trying to do the right thing. We have a duty to explain our policies and what we are doing for the country. Democracy is government by explanation, so we have to explain ourselves to the media, but I hope that this whole process will end up delivering a healthier relationship where we can do that explaining, but confront the problems at the same time.

Mr David Lammy (Tottenham) (Lab): Given what the Prime Minister has said about the police's performance yesterday, was it wise of the Home Secretary to describe John Yates as doing a good job, and of Boris Johnson, when chair of the Metropolitan Police Authority, to describe this as a song and dance and a load of codswallop?

The Prime Minister: Let me deal specifically with the issue of John Yates, because this is important. He does an extremely important job for the country in terms of counter-terrorism policing. I have watched him and the job that he does at close hand. We have to have a situation where the police are operationally independent, and if we put our trust in Paul Stephenson to run his team, we must allow him to do that. I ask the right hon. Gentleman to think about this: it would be quite dangerous, would it not, if politicians were able to point at individual police officers, particularly those who were leading investigations into other politicians? So there are some dangers here. I think that John Yates is doing a good job on counter-terrorism. Clearly, as he said himself, he has some questions to answer about what went wrong with the initial investigation, and I hope that he will welcome this inquiry, which will get to the bottom of what went wrong.

Tessa Munt (Wells) (LD): In the light of and under the pressure of this inquiry it seems possible that serving police officers will go off on sick leave because of stress. Will the Prime Minister guarantee that in no circumstances will the taxpayer be asked to fund any pension of any police officer, either serving or now retired, who is found to be corrupt, as that would be the final insult?

The Prime Minister: I will have to look at the point that the hon. Lady makes. It sounds perfectly sensible but we have to obey the rules of the pension schemes and all the rest of it. However, people should not be rewarded in the way that she says.

Yasmin Qureshi (Bolton South East) (Lab): The Prime Minister talks about independent regulation. May I ask that the inquiry considers possible remedies in respect of applying pecuniary damages where wrongdoing is found and, more importantly, ensuring that an equal amount of time and space is given to printing a retraction as is spent on vilifying people?

The Prime Minister: The hon. Lady makes a very good point. I have worked in a regulated industry, in television, where you could be fined if you got something wrong—the company I worked for was fined a lot of money once—and there is no doubt that that has a huge effect on the business. But it is not for us to say what the rules should be; it is for this inquiry to do that and it should be properly advised by experts who understand how the media works.

Mr Peter Bone (Wellingborough) (Con): May I congratulate the Prime Minister and the Leader of the Opposition, and you, Mr Speaker, on granting the Standing Order No. 24 debate in order to put Parliament at the heart of this matter? There is a danger in all this. In the scandal involving MPs, most MPs were of the highest integrity and were working hard in public service. Likewise, most journalists, including those at News International, are hard working and are of the highest integrity. Will the Prime Minister just mention that fact?

The Prime Minister: My hon. Friend makes a good point. The British press has a lot to be proud of in terms of its record of investigative journalism, of uncovering the truth, of providing information and entertainment, and of holding the powerful to account. The point I would make to the sceptics in the press who will worry about this inquiry is that we cannot go on as we are, and we need to do something to stop this firestorm, to protect what is good in the media and to ensure its freedom for the future, and also to deal with the abuse that we clearly see in front of us.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Earlier, in his responses during Prime Minister's questions, the Prime Minister alluded to alleged lying to Select Committees. Given that misleading a Select Committee or refusing to turn up as a witness for a Select Committee is contempt of Parliament but that the last time criminal sanctions were invoked against anybody for that was in 1666, will he undertake to introduce emergency legislation to make contempt of Parliament a criminal offence at the earliest opportunity?

The Prime Minister: I will have to look closely at the issue that the hon. Gentleman raises. Perhaps it is something on which the Leader of the House, who does not quite go back to 1666 but goes some way further towards it than I do, will be able to give him some satisfaction.

Conor Burns (Bournemouth West) (Con): With the number of individuals and organisations with questions to answer growing by the day, will the Prime Minister assure me that, should there be further dramatic developments in the coming weeks he would not hesitate to add his voice to the call for a recall of this place from our summer recess so that they could be debated on the Floor of the House?

The Prime Minister: There is never normally any shortage of people calling for Parliament to be recalled—indeed, I remember that a recent recess had not even started when someone called for Parliament to be recalled. I may not be the first out of the traps, if I may put it that way.

Mr Denis MacShane (Rotherham) (Lab): I welcome the Prime Minister's repeated emphasis on transparency. In that respect, does he think it would be useful if freedom of information legislation was extended to public and private bodies that operate fully in the public sphere, notably all the media ones?

The Prime Minister: I am sure that that is something the inquiry can look at. I do not share Tony Blair's regret on freedom of information; I think that it has actually been a good thing. What we are seeking here is more transparency, so that people can see who is meeting and who is doing what, rather than having to have a process of discovery. What this Government are bringing, across quite a range of areas, is that original transparency to reduce the need for often quite expensive discovery.

Dr Phillip Lee (Bracknell) (Con): I very much welcome the Prime Minister's plans to change the ministerial code in respect of meetings with members of the media. May I press him on the definition of "media"? In a world where increasingly people search for their news via Google and so on, and they share their news on Facebook and the like, I suggest that those organisations and meetings with them should also be in the public domain.

The Prime Minister: My hon. Friend raises a very good point, because "media" now encompasses such a wide range of things. That is one of the reasons why I think it is necessary to consult briefly on this change to the ministerial code before we introduce it, because I want to make sure that we do it in a way that is clear and works well.

Jack Dromey (Birmingham, Erdington) (Lab): An outraged public demand action and expect leadership in the public interest. At every stage, the Prime Minister has been slow to act. Does he agree that Rupert Murdoch is not a fit and proper person? Given that we now know that Lord Ashdown warned the Prime Minister not to appoint Andy Coulson, does he have any regrets about appointing somebody who was clearly not a fit and proper person?

The Prime Minister: The point I would make is that in government you are not just making speeches; you have got to make decisions and you have got to get it right. You have got to make sure the terms of reference are right, make sure the inquiry is right, find the judge, appoint the panel, work out how to be transparent and how to amend the ministerial code. It is not just about saying things; it is about doing things. Of course it takes time to get these things right when this enormous firestorm is going on, but I think that we have taken some major steps forward that will make a big difference. On the "fit and proper" test, that is a matter for Ofcom. We must not get into a situation where the Prime Minister or the Leader of the Opposition is pointing a finger and making a particular point about a particular person—that is Ofcom's role. As for the other question, I think that I answered it in full.

Mr Don Foster (Bath) (LD): On that very point, does the Prime Minister agree that if there are any legal restrictions preventing the regulators from judging now on the fitness of News Corporation as an organisation—not the individuals—to own existing shares in BSkyB, those regulations should be swept away immediately?

The Prime Minister: As I said earlier, we are looking at that specific issue. We have asked Ofcom and the Competition Commission to look at it, and we are going to hear what they have to say.

Paul Flynn (Newport West) (Lab): In the cash for honours inquiry, the Met judged all suspects to be innocent until they were proved to be Labour. Does the Prime Minister agree that the best-trusted news in the country and the best investigative journalism comes from those broadcasters who already have a statutory duty to balance their news? Instead of having a half solution, would not the ultimate solution be to spread the obligation to provide balanced political reporting to all media?

The Prime Minister: That is a matter for the inquiry. I think there are difficulties here. The reason for the statutory regulation of television is that you are dealing with a previously limited spectrum that was a privilege to own and statutory regulation came with it. The reason for not having the statutory regulation of newspapers is that in a free society you should be free to set up a newspaper, to distribute opinions and information—*[Interruption.]* Even if it is the *Morning Star*, as someone said. It is important that we hold on to that. I want the newspapers to understand that neither the Government nor the Opposition want to leap into statutory regulation. That is not the intention; we want to improve on what we have now.

Nadhim Zahawi (Stratford-on-Avon) (Con): I commend the Prime Minister and the Deputy Prime Minister for working with the Opposition in dealing with this very serious issue. The Prime Minister will be sharing sensitive information with the Leader of the Opposition, so can I ask him to seek assurances that Tom Baldwin, an ex-News International employee, will not be privy to such sensitive information?

The Prime Minister: We all have to answer for the people who work for us and the accusations that are made against them. I am sure the Leader of the Opposition will want to do that.

Margaret Curran (Glasgow East) (Lab): May I emphasise to the Prime Minister that the feelings of revulsion being expressed against these practices are particularly

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strong in Scotland? Will he therefore meet the First Minister soon so that we can understand the full extent of phone hacking in Scotland and what needs to be done to tackle it?

The Prime Minister: I have regular conversations with the First Minister. In this case, the best thing is to ensure that the devolved Administrations are happy with the terms of reference and to work out how the inquiry will relate to those Administrations. Any evidence can be put straight into the inquiry in the way I have suggested.

Jo Swinson (East Dunbartonshire) (LD): Even if private medical details are obtained without breaking the law, it does not mean that it is right to publish them, especially when they relate to a child and no possible public interest case can be made. Will the Prime Minister confirm that the inquiry will consider and recommend what meaningful sanctions can be imposed in cases where media outlets might not have acted against the law but have certainly acted against common standards of decency and ethics?

The Prime Minister: The hon. Lady makes a good point. I am sure the inquiry will look at that, but let me repeat something I said earlier: whatever regulatory system we have, we must still have people at the top of newspapers and media organisations who take responsibility and recognise that it is not right to reveal that someone is pregnant, for instance, when there is no certainty that they will keep that baby. These are important things that are about common sense and decency, and whatever regulatory system we come up with, we must ensure that we keep hold of that thought, too.

Stephen Timms (East Ham) (Lab): Why did his chief of staff not pass on to him what he found out from *The Guardian*?

The Prime Minister: I think I have answered this question in some detail. The fact is that the information was not passed on but the lion's share of it was included in a published article in *The Guardian* about which I gave a very extensive answer about an hour ago.

Several hon. Members *rose—*

Mr Speaker: Order. I would like to accommodate a few more colleagues, but to do so I require brevity. I call Mr William Cash.

Mr William Cash (Stone) (Con): Thank you for that, Mr Speaker.

The Prime Minister has referred repeatedly to media organisations and media executives and he has noted the fact that the word "media" covers a wide range. Does he agree that to be fully comprehensive the terms of reference should also be extended to sound and visual media? It is not impossible, given the uncertainty and unexpected turns of events, that that side of things might be involved, too.

The Prime Minister: As I said, whatever terms of reference are agreed with a judge they are free to pursue the evidence. If it takes them to different places, they can follow it and I am sure they will consider carefully what my hon. Friend says.

Angela Smith (Penistone and Stocksbridge) (Lab): In his statement, the Prime Minister said that Judge Leveson and his panel will inquire into "the contacts made, and discussions had, between national newspapers and politicians". May I take it, therefore, that he will submit to the inquiry details of all meetings held between him and senior figures at News International, including the names of the individuals who attended such meetings, even if one of them was his ex-chief of staff, Andy Coulson?

The Prime Minister: I will be happy to go along to the inquiry and answer any questions it wants to put to me about any contacts I have had with any media organisation at any time, as long as I still have the memory of when it happened. I am very happy to do that.

Mark Reckless (Rochester and Strood) (Con): Is the Prime Minister aware that the Home Affairs Committee hearing yesterday was not a one-off but the conclusion of a nine-month inquiry, pursued throughout on a cross-party basis? That raised serious concerns about the role not just of the police but of the Crown Prosecution Service in curtailing the original investigation.

The Prime Minister: My hon. Friend makes a good point. Clearly, one thing that the second part of the inquiry will consider, as well as the first police investigation, what went wrong and why it was insufficient, is the review of that investigation and why it did not result in further action. Those are difficult questions and it is right that an inquiry should consider them.

Mark Durkan (Foyle) (SDLP): Has the Prime Minister satisfied himself that the proposed double-barrelled inquiry will be proofed against the possible chicane of legal challenges to its conduct and scope that it could face from various interests? Has he also anticipated the various calls, a few of them valid, for legal representation at the inquiry? Will Ministers or former Ministers, when they are giving or preparing evidence, do so with the support and assistance of Law Officers?

The Prime Minister: That is a very good question. I have found, doing this job, that almost nothing is chicaned, as he put it, from legal inquiry. We think we are doing this in the right way under the Inquiries Act 2005 and all the things that flow from that, but I can perhaps consider the detail of his question about preparation for Ministers.

Stephen Barclay (North East Cambridgeshire) (Con): Will the Prime Minister confirm that the police investigation will include payments made to connected parties, such as relatives of police officers, including payments not made in cash, such as electronic transfers to shell companies, vouchers or travellers cheques? In due course, will it also consider others who provide stories, such as paramedics, accident and emergency doctors and prison governors, and who might also be subject to corruption?

The Prime Minister: The inquiry must follow the evidence wherever it leads and if it finds malpractice in any of the services my hon. Friend mentioned, it must clearly investigate.

Pamela Nash (Airdrie and Shotts) (Lab): In recent days, it has become clear that a number of the alleged crimes that will be covered by the inquiry took place in Scotland. The Prime Minister said earlier that he has

regular discussions with the First Minister. Has the Prime Minister received reassurances from the Scottish Government that the inquiry will have the full co-operation of the Scottish Government and all the relevant authorities?

The Prime Minister: One reason we need to consult about the terms of reference is to ensure that we consult with devolved Administrations, including the First Minister, to see what they have to say.

Mr Adrian Sanders (Torbay) (LD): I congratulate the Prime Minister on grasping the nettle. Let me repeat the point made by the hon. Member for West Bromwich West (Mr Bailey) about the history of Select Committees not being able to compel people to attend. That must be considered as there is a process, but it is very long-winded. Can the question of whether there is any way of ensuring that people can be brought to a Select Committee when they are asked to give evidence be considered?

The Prime Minister: That is a repeated call to the one made by the hon. Member for West Bromwich West (Mr Bailey). I think it is an issue for the Leader of the House to address; perhaps he can say something about it tomorrow at business questions. We want people to attend Select Committees. Obviously, we want to ensure that we do not ask people to do things that are desperately inconvenient, but if people give us the endless run-around, there should perhaps be some way through that.

Kevin Brennan (Cardiff West) (Lab): Just to be absolutely clear, the Prime Minister said earlier that proprietors could be called to the inquiry. Will he confirm that if those proprietors are foreign citizens, they could be compelled to attend and give evidence, unlike with Select Committees?

The Prime Minister: The hon. Gentleman raises a good issue. I do not see why the answer to that should be no. If you own media in this country, then you should be able to be called under oath.

Dan Byles (North Warwickshire) (Con): Does the Prime Minister agree that it would be a mistake if, at the end of this process, we saw the death of good investigative journalism? He has alluded to the investigation into MPs expenses, for example, and it would be wrong if we ended up with such a scandal not coming to light.

The Prime Minister: My hon. Friend makes a good point. I do not want those people in the press who work hard, who are good investigative reporters, who do not break the law, who find good stories and who hold the powerful to account to watch today's proceedings and think that we are going to strangle the free press in this country. That is not what we should be doing. It is very important that we all say that and that the inquiry bears that at the heart of what it is doing and it is in the terms of reference.

Bill Esterson (Sefton Central) (Lab): The Prime Minister said that destroying evidence would be a criminal offence, but my understanding is that that is the case only once the terms of reference for the inquiry have been set. Why did he not set up the inquiry last week, when Labour Members asked him to, and will he ensure that the terms of reference are set as soon as possible so that no further evidence is destroyed?

The Prime Minister: The premise underlying the hon. Gentleman's question is wrong. My understanding is that when there is a police investigation, as there is with hacking, if evidence is destroyed that breaks the law. That investigation is happening right now. As regards setting up the inquiry, the terms of reference are now in the Library for the hon. Gentleman to see. If he has suggestions and ideas he can make them known, but I sent the terms of reference to his right hon. Friend the Leader of the Opposition this morning for comments from the Labour party and we have incorporated those comments in full.

Matthew Hancock (West Suffolk) (Con): May I push the Prime Minister a little more on the culture of journalism? As with the bankers crisis and the MPs' expenses crisis, changing the culture and self-responsibility of the industry is important. What will he do to take a lead on that?

The Prime Minister: My hon. Friend makes an important point. We should celebrate good journalism and social responsibility in journalism and media organisations. Let me put it on the record that many media organisations do some brilliant things in our country to build up what I call the big society. We must not damn all media because of what is happening and what has happened in some organisations. As well as a good regulatory system, we need a culture that is, yes, about getting to the truth but, no, not about breaking the law.

Nick Smith (Blaenau Gwent) (Lab): Given the point made earlier by the Chair of the Select Committee on Home Affairs that the Metropolitan police's small team will take many months to go through all the names and phone numbers that they have to go through, may I press the Prime Minister to make sure that they have enough police officers to do the job in good time?

The Prime Minister: As I said in my statement, this is one of the biggest police investigations currently ongoing in Britain. In defence of the Metropolitan police, next year is the Olympics and we have an enormous security challenge to get right in this country. The Metropolitan police has to meet a huge number of objectives—it is for the police authority to help to set those—so I do think it is putting adequate resources into this. As I have said, it is one of the biggest operations in Britain today.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): May I for one congratulate the Prime Minister and other party leaders on the speed and scope of all this? I particularly want to follow up the point made by my hon. Friend the Member for Northampton South (Mr Binley) about why the issue of police ethics is being dealt with only in relation to the Metropolitan police. It seems to some of us that there is a kind of cultural tradition across all police forces of having a tight relationship with favoured journalists. Perhaps in the short term my right hon. Friend the Home Secretary could talk to chief constables about starting their own procedures.

The Prime Minister: My hon. Friend makes a good point. First, the inquiry will make recommendations across all police forces from the lessons it learns about this malpractice. The point that Paul Stephenson and I were discussing last night was that there is an opportunity for the Met specifically to take a leadership role in what it does, which I am sure others will follow.

Grahame M. Morris (Easington) (Lab): The Prime Minister has said on several occasions that we should follow the evidence trail wherever it leads. If that includes the proprietors of News International or other media groups, should we not be hardening the terms of evidence? Is it the Prime Minister's view that Rupert Murdoch should be required to give evidence to the judge-led inquiry?

The Prime Minister: The point about the judge-led inquiry is that it must choose who it wants to speak to and it must then call them under oath and make sure that they answer questions accurately. Clearly, it is going to want to talk to editors, proprietors and those who are responsible right across the media. That is going to be the work it does.

Bob Stewart (Beckenham) (Con): Does my right hon. Friend agree that we will never be able to stop criminals who are intent on phone-tapping but that whatever we do and whatever steps we take we have to try to minimise the possibility of that?

The Prime Minister: That is right; we will never stop all law-breaking through a regulatory system, just as we will never stop all law-breaking through a policing system. Clearly, with the media we want to have a free, independent media that do not feel the heavy hand of statutory regulation, so we need a change of law but we also need a change of culture.

Mr Dave Watts (St Helens North) (Lab): Does the Prime Minister agree that the general public will find it amazing that anyone is suggesting that the press should have self-regulation? Is it not a No. 1 priority that we should have regulation that is independent?

The Prime Minister: I like the word "independent" rather than "self", which sounds as though newspapers will be regulating themselves rather than being regulated by someone more independent, although not reliant on the Government—that would be worrying—who can take a strong view.

Harriett Baldwin (West Worcestershire) (Con): Will the inquiry be able to take evidence from Mr Lance Price who used to work at Downing street and who said in 2006 that when he worked there he sometimes felt as though Rupert Murdoch was the 24th member of the Cabinet?

The Prime Minister: I am sure that Lance Price will be available. I have to say that the book he wrote about the last Government was one of the most depressing things I have ever read.

Ian Murray (Edinburgh South) (Lab): If the will of the House this evening is carried and News International simply withdraws its bid for BSkyB, what steps will the Prime Minister take to ensure that the will of the House is carried and what steps will he take to persuade Rupert Murdoch to do the decent thing?

The Prime Minister: As I have tried to explain, the Government have a responsibility to act within the law. We have to deal with each merger, acquisition and process as the law dictates and that is what my right hon. Friend the Culture Secretary has to do. Tonight, the House of Commons is going to express a very strong opinion and I hope that opinion will be heeded.

David Rutley (Macclesfield) (Con): I welcome my right hon. Friend's statement. Can he tell the House whether other national Governments have been in contact to express their concerns about the activities of News International and whether US authorities are planning to investigate the company for possible breaches under the Foreign Corrupt Practices Act?

The Prime Minister: I have not had any contact with any US politicians about this issue.

Mrs Madeleine Moon (Bridgend) (Lab): In the firestorm that has hit the country, thousands of families have been thrown back to the trauma of a loved one's death. Will the Prime Minister ensure that he has conversations with the Press Complaints Commission so that it can start talking to the editors of national newspapers about not regurgitating stories that will increase that trauma to families? Can we also ensure that when police officers approach families, if they need to tell them that their phone calls have been hacked, they provide them with help and guidance as well as information about desist notices so that those families' trauma can be reduced rather than their grief being added to?

The Prime Minister: The hon. Lady makes a very good and sensitive point. It is not just for the PCC but for newspapers themselves to understand the trauma that is being caused and the need to be more sensitive.

George Eustice (Camborne and Redruth) (Con): Does the Prime Minister agree that one of the key weaknesses of the PCC is that the public interest defence in the code has, frankly, been used and abused over the years? That is why it is so important to have independent regulation going forward and why those who continue to cling to the idea of self-regulation are wrong.

The Prime Minister: My hon. Friend did an excellent job as my press secretary for many years before taking the sensible view that he belonged on these Benches. There is a problem, which the inquiry will have to look at: we want the press to take action in the national interests, but we have to have a system in which they are not breaking the law. That has to be resolved.

Nic Dakin (Scunthorpe) (Lab): Will the Prime Minister explain further the practical difference between self-regulation and independent regulation?

The Prime Minister: I do not want to get into theological debate about this, but I think the problem with the phrase "self-regulation" is that it implies too much of a continuation of a scheme under which the press have effectively been regulating themselves. This will be a matter for the judge and his panel, but what we are looking for is something more independent—not statutory regulation with the heavy hand of the state, but independent regulation that means we are able to make sure that proper standards are followed. I gave some examples of how that works elsewhere and I think it can be done.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Prime Minister's statement and the leadership he has shown on this matter. Will he clarify a point about the inquiry, given that in recent months and years certain inquiries have held evidence sessions behind closed doors? What will be done to ensure that all the evidence is taken in public so that the public can see what has been done and what is being done to correct it?

The Prime Minister: This is an independent public inquiry led by a judge, with evidence being taken under oath and being held in public. That is the whole point. Obviously, if it suddenly decided it was inquiring into deep national security issues it might have to have a different session, but it is a public inquiry.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Prime Minister says that he wants a cross-party approach to this issue, so when will he meet the leaders of the Welsh, Scottish and Northern Irish parties in the House? In 2006, the Information Commissioner reported up to 3,000 breaches of privacy. Will the inquiry that the Prime Minister is announcing today look into those cases?

The Prime Minister: I hope the inquiry will look at what happened with the Information Commissioner's report, because that was one of the wake-up calls when, frankly, the politicians did not wake up. In terms of taking into account the views of the other parties in the House, I am going to discuss that with my right hon. Friend the Culture Secretary and see what is the best way forward.

David Morris (Morecambe and Lunesdale) (Con): May I ask the Prime Minister, given the group feeling in the House, whether we could put the full vetting authorities of the Government to the assistance of the Leader of the Opposition so that he can find out more about his director of communications?

The Prime Minister: We all have to answer questions about the people we employ and the activities they might have undertaken. I am sure that the Leader of the Opposition will be doing just that.

Sheila Gilmore (Edinburgh East) (Lab): At the turn of the year, when Opposition Members were urging the Culture Secretary to refer the BSkyB bid to the Competition Commission, we were given to understand that, even if it were referred, the terms of reference would be very limited. On Monday, the Culture Secretary indicated to the House that there would be fairly wide terms of reference. Are the terms of reference that have apparently already been sent this week going to be made available to the House?

The Prime Minister: My right hon. Friend the Culture Secretary can answer this question in the debate later. The point is that the Competition Commission has been asked to look at plurality grounds and also to look at the "fit and proper" issue. We have to do these things under the law though: we cannot suddenly invent new grounds. We can only use the legal instruments and tests that are there.

Charlie Elphicke (Dover) (Con): May I welcome the Prime Minister's reaffirmation that sunlight is the best disinfectant? If we are really going to sort things out on a cross-party basis, surely it is not good enough for this to involve only Government Ministers and special advisers—surely it should involve shadow Ministers and their special advisers as well.

The Prime Minister: I think that is right. The point about the relationship between politicians and the press, and where that has gone wrong, is, as I said, that we have been courting support rather than confronting problems. That has been the case for Oppositions. I freely admit that as Leader of the Opposition, you spend quite a lot of time trying to persuade newspapers and others to support you, because you want to explain your policies, your vision and what you are doing for the country. That will not stop. We are not all going to go and live in a monastery and never talk to journalists ever again, wonderful though that might seem by moments. We must have a healthy relationship where we can have those meetings and discussions, but at the same time confront the difficulties that we have. That is what the commission will do.

Graham Jones (Hyndburn) (Lab): I am not a legal expert, but I am deeply concerned about the suggestion that there is a non-disclosure agreement between News International and Glenn Mulcaire, the man at the centre of hacking. If a non-disclosure agreement exists, it must have been put in place between News International and him in 2005 or 2006, at the time that Andy Coulson was at the *News of the World*. I have a deep concern about who negotiated that and the implications. Will the Prime Minister look into the matter personally, and will it be part of the inquiry?

The Prime Minister: That needs to be part of the police inquiry, never mind the inquiry that is about to start under Judge Leveson. There is a police inquiry now into what went wrong at the *News of the World*, how much hacking took place, who was hacked and who knew. All those questions need to be answered by the police, and it is a full-on police inquiry, not the rather thin inquiry that happened before.

Gavin Barwell (Croydon Central) (Con): On the issue of transparency about meetings between politicians and media proprietors and executives, will my right hon. Friend go further than the Leader of the Opposition suggested and go back not just to the last election, but to the previous Government, so that my constituents can see what people on both sides of the House have been up to in the past?

The Prime Minister: We will look at the issue of transparency and how best to put it into the ministerial code, and consider what is right and fair. The inquiry will be able to look at contacts over a period to try to see what went wrong in the relationship.

Jim Shannon (Strangford) (DUP): Will the meetings of the inquiry be open to the general public? In other words, will we all know what is happening, and will the general public know as well?

The Prime Minister: Yes, this is a public inquiry held in public.

Tom Brake (Carshalton and Wallington) (LD): Does the Prime Minister believe that once a healthier relationship is established between politicians and the media, it will be easier for Governments to adopt evidence-based policy in relation to, for instance, tackling drugs, community sentences, or immigration and asylum?

The Prime Minister: That is a lovely idea. As I say, the inquiry will not mean no contact between politicians and the media. There are difficult issues—the hon. Gentleman mentioned a couple of them—where we need to try to explain and take people with us when we are taking difficult decisions. We cannot do that ourselves through direct communications. We need a lively and questioning media to help us do that, but perhaps a healthy relationship will make what he wants more possible.

Naomi Long (Belfast East) (Alliance): I have been listening carefully to the Prime Minister's answers. Does he accept that there is a significant difference between explaining Government policy or the Opposition's position to the media, and courting their support, and that it is that culture of courting the support of the media that needs to be tackled not by inquiry, but by the Members of the House?

The Prime Minister: I agree. There is nothing wrong with meeting editors or proprietors and trying to explain why your vision is the right one for the country. People expect you to do that. Where it can go wrong, and where it has gone wrong, is where politicians start doing things, perhaps influenced by those media companies, that they would not otherwise do. I well remember standing at the Opposition Dispatch Box opposing 42-day detention, which I do not think for a minute most of those on the—sorry—then Government Front Bench believed in. I think they were doing it because of the pressure that they felt from some parts of the press. It is profoundly wrong, and the sort of thing that we must stop in the future.

Sajid Javid (Bromsgrove) (Con): I welcome the Prime Minister's statement. Does he agree that the Press Complaints Commission as currently constituted is clearly not fit for purpose, and that it would have been most helpful if its reform had been initiated back in 2007, when the phone hacking inquiry at that time failed?

The Prime Minister: Many people on the Press Complaints Commission have tried to make it work. I would argue that it has made improvements in recent years from when it was originally established, but when we look at what has happened and the trail of reports, problems and the rest of it, the conclusion we must come to is that the PCC did not do enough to pick that up. Reform is therefore needed. That is one of the starting points for the inquiry.

Alun Cairns (Vale of Glamorgan) (Con): Does the Prime Minister regret the Opposition's inaction over such serious and grave issues over a number of years? If they are now to succeed and maintain public support, they need to be above party politics, and political opportunism should be shunned and ignored.

The Prime Minister: My hon. Friend is right. We need an all-party approach, as far as possible. Sometimes all-party approaches can become a bit of a conspiracy, so we have to make sure that that is not the case. A basic level of agreement exists about the inquiry, the terms of reference, and the need to change the regulatory system. If we can push forward in that way, there will not be too much regulatory arbitrage, so to speak, which is a danger in such a situation. I propose to keep in close touch with the leader of the Labour party about this.

Christopher Pincher (Tamworth) (Con): Does my right hon. Friend agree with a senior commentator in the Twittersphere who says that people in glass houses should not throw stones?

The Prime Minister: I long ago learned my lesson about not saying anything about the Twittersphere for fear of getting the wrong vowel in the wrong place.

Duncan Hames (Chippenham) (LD): Media regulation, like the inquiry, goes well beyond simple law-breaking. How can we be sure that it can act in a timely fashion on known wrongdoing where that is sufficient, without waiting for the conclusion of numerous criminal investigations and the prosecutions that follow them?

The Prime Minister: The hon. Gentleman makes a good point. The part of the inquiry which is, for instance, investigating allegations of police corruption or investigating the hacking at the *News of the World*, must wait for the police investigations to be carried out, for prosecutions to be carried out and, as I understand it, for any appeals to be lodged. That is one for the reasons for having one inquiry with two parts, rather than two inquiries, otherwise the one doing that part would take a very long time indeed before it got going.

Mr Speaker: I thank the Prime Minister and colleagues for their succinctness, which enabled all 78 Back Benchers who wanted to contribute to do so.

Mull of Kintyre Review

1.56 pm

The Secretary of State for Defence (Dr Liam Fox): I wish to announce the publication today of the Mull of Kintyre review, the report of the independent review of the evidence relating to the findings of the board of inquiry into the fatal accident of an RAF Chinook helicopter at the Mull of Kintyre on 2 June 1994. It is right that I should begin this statement by paying tribute to the 29 people who died in that accident, one of the worst in the history of the Royal Air Force. As is well known, the passengers were members of the Northern Ireland security and intelligence community who were travelling to a meeting in Inverness, and their deaths were a huge blow to the security of this country. They were also a human tragedy for each of the 29 families who were devastated by the loss of their loved ones.

I pledged while in opposition that I would set up a review, because I had worries that an injustice might have been done. The official conclusion that the accident was caused by the negligence to a gross degree of the two pilots on duty that day, Flight Lieutenants Jonathan Tapper and Richard Cook, had been criticised almost since the day it was reached. Doubt had been cast on the findings in different ways by the fatal accident review held in 1995, by the Defence Committee and the Public Accounts Committee of the House in 1998 and 2000, and by the Select Committee appointed in another place in 2002.

A number of Members of the House have continued to voice their doubts over the findings of gross negligence, and I wish to acknowledge the unflagging interest in the case shown by my right hon. and learned Friends the Members for North East Fife (Sir Menzies Campbell) and for Kensington (Sir Malcolm Rifkind), my right hon. Friends the Members for North East Hampshire (Mr Arbuthnot) and for Haltemprice and Howden (Mr Davis), the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North West Norfolk (Mr Bellingham) and others, and also by Sir John Major. I know that the Ministry of Defence considered those reports carefully, taking independent and specialist advice, but given the weight and breadth of the comments, I thought it only right to ask an independent figure to check whether justice had been done.

I announced the establishment of the review—the first independent review of the evidence relating to the accident set up by the Government themselves—to the House on 16 September last year. It was my intention that its report, whatever its findings might be, should draw a line under this matter. It has been carried out by the distinguished former Scottish judge, Lord Philip, with the advice and support of a panel of three fellow Privy Counsellors, my noble Friend Lord Forsyth, Baroness Liddell and my right hon. Friend the Member for Gordon (Malcolm Bruce). I am extremely grateful to all four for their thorough and painstaking approach to the task and for the clarity with which they have presented their recommendations, which are unanimous. I held them all in high regard before, and hold them in higher regard now.

Lord Philip and his colleagues have concluded that the finding that the pilots were negligent to a gross degree should be set aside and that the Ministry of Defence should consider offering an apology to the families of Flight Lieutenants Tapper and Cook. I can tell the House that I have accepted these recommendations. At a specially convened meeting of the Defence Council on Monday it was decided that

> "the Reviewing Officers' conclusions that Flight Lieutenants Tapper and Cook were negligent to a gross degree are no longer sustainable and must therefore be set aside. We therefore order that those findings shall be set aside".

I have written to the widows of the two pilots, to the father of Jonathan Tapper and to the brother of Richard Cook to express the Ministry of Defence's apology for the distress caused by the findings of negligence. I also wish to express that apology publicly in the House today.

Lord Philip's analysis is very clear. To put it as briefly as I can, he identifies the central point as being that, according to the regulations in force at the time, a finding of negligence should have been made against air crew who had been killed in an accident only if there was "absolutely no doubt whatsoever" about the matter. Although the two air chief marshals who acted as reviewing officers for the board of inquiry and made the findings had no doubts on the matter, Lord Philip is clear that that is not enough. The question that should have been asked is whether there was any scope for doubt in anyone's mind. In this case, other competent persons did have doubts, which is sufficient to warrant the conclusion that the findings should not stand.

I would like briefly to make four further points. First, the report does not purport to tell us exactly why Chinook ZD576 crashed. It is central to Lord Philip's report that the exact cause will never be established, and I am convinced that pursuing the matter further would serve only to increase the distress of the families and friends of those who died in the accident. But those who allege that there has been a long-running conspiracy to cover up technical shortcomings in the aircraft will find no support here. The Chinook has had an excellent safety record since the disaster on the Mull. It has been a mainstay of our operations in successive theatres of war and has the full confidence of those who fly it. However, the report reveals that on this occasion the pilot expressed concerns that he felt unprepared to fly the aircraft.

Secondly, I want to emphasise that the air chief marshals who made the decision, Sir John Day and Sir William Wratten, who are now retired, were and are highly respected and experienced airmen who acted at all times with full conviction on what was the right and proper course and in good faith. They did not reach their decision lightly and they asked for legal advice. Regrettably, that legal advice, although subsequently endorsed by independent Queen's counsel, has now proved to be incorrect. I attach no personal blame to these distinguished officers and their advisers.

Thirdly, the procedures for investigating air and other military accidents were changed some years ago, with the result that it is no longer the practice for boards of inquiry, now called service inquiries, to ascribe blame to those involved, whether or not they survived the accident. This is because sometimes the business of ascribing blame can get in the way of finding out what actually happened and, more importantly, preventing any recurrence.

[Dr Liam Fox]

Fourthly, the report makes one further recommendation: that the Ministry of Defence should reconsider its policy and procedures for the transport of personnel whose responsibilities are vital to national security. I accept that recommendation as well. It has implications for land and sea transport as well as air transport. I have directed my officials to ensure that the policy and procedures in place across all three services ensure that we do not unnecessarily risk so many individuals who are vital to national security in one vehicle. It is worth noting that Flight Lieutenant Tapper had asked for the passengers on the Chinook to be split between more than one helicopter.

This has been an unhappy affair that has caused much reflection within the RAF and anguish for the families of those who died, particularly the families of those who were wrongly found officially to have been negligent to a gross degree. I hope that this report and the action I have taken in response to it will bring to an end this sad chapter by removing the stain on the reputations of the two pilots.

Mr Jim Murphy (East Renfrewshire) (Lab): I thank the Secretary of State for his statement, join him in his moving tribute to the 29 people who died in this terrible incident and add our continuing condolences to their families. I also join him in offering our support to this unanimous report and the work carried out by Lord Philip, Lord Forsyth, the right hon. Member for Gordon (Malcolm Bruce) and my noble Friend Baroness Liddell of Coatdyke.

It is over such tragic and controversial events that the whole House should unite to ensure that the right outcome is found in the interests of service personnel, past and present, and their families. It is in our collective interest to establish as much as we can about what happened on 2 June 1994, to learn the right lessons for the Ministry of Defence and the RAF and to come to a settled view for the families of all of those who perished on the Mull of Kintyre. The Secretary of State has my full support in his work towards these objectives.

Successive Secretaries of State, initially Conservative and then Labour, decided to follow the findings of gross negligence produced by the two senior air marshals, Air Chief Marshal Sir William Wratten and Air Vice-Marshal Sir John Day. Their view, as the Secretary of State has suggested, overturned the original opinion of the RAF board of inquiry, which had found no evidence to suggest that either pilot was negligent. For gross negligence to be proven, the Queen's regulations for the RAF state that

"only in cases in which there is absolutely no doubt whatsoever should deceased air crew be found negligent".

It is a remarkably clear definition, and the contents of today's report reveal that that test has not been met at any point since 1994.

No one doubts that all those involved in the inquiry acted in good faith, but it is now clear that the two air marshals initially sought, and were given, inadequate legal assistance in their interpretation of the standard of proof. I do not enjoy saying this, but it now also appears that Secretaries of State of both Governments were kept in the dark on differences between the board and the reviewing officers and that Ministers were deprived of the ability to reach a properly informed view. Investigations by the Public Accounts Committee in November 2000 and by a House of Lords Select Committee in November 2001 found that the reviewing officers of the board of inquiry were not justified in attributing gross negligence to the Chinook pilots because the findings did not satisfy the burden of proof required. It is important that in 2001 the board of inquiry rules were changed to ensure that no deceased pilot could ever be found negligent in this way again.

Let me turn to the wider lessons and ask the Secretary of State five specific questions arising from his welcome statement. First, he said that

"the report reveals that...the pilot expressed concerns that he felt unprepared to fly the aircraft".

Will he tell the House how this matter was dealt with at the time by officers involved? Secondly, what issues surrounding compensation for the families of the deceased arise from the report? Thirdly, and I put this gently, the content of today's announcement was trailed in the media at the weekend, days before Parliament had a chance to see it. Does the Secretary of State intend to carry out any inquiry on the possible leak of some of the contents of today's report? Fourthly, and more substantially, did Lord Philip's review find fault with the board of inquiry's process, and should the make-up of boards of inquiry be changed to remove the perceived conflict of interest identified by the Public Accounts Committee in its previous report? Fifthly, the Secretary of State rightly said that he had written to the relatives of the two pilots, but have the contents of the report been shared with the families of the others who perished on the Mull of Kintyre?

In conclusion, I have said before at the Dispatch Box, and will continue to do so, that when the Government do the right thing they will rightly enjoy our support. Today, in the interests of all the families involved, the right thing is being done and lessons have to be learnt. We fully support what the Secretary of State has said today.

Dr Fox: I am extremely grateful for what the shadow Secretary of State has said and the tone in which he presented it to the House.

When we look at the experience under previous Secretaries of State, we see that the inquiries that took place were perhaps not quite focusing on the correct point. In Lord Philip's inquiry, he very quickly, with his team, went to the point of the matter on a legal basis—that is, as the shadow Secretary of State has said, they grasped that attributing gross negligence could be done only if there was no doubt. This was not about establishing something beyond a reasonable doubt, which is the test that most of us would expect normally to be applied—it was an absolutely objective test. Perhaps in previous inquiries we were looking into the details and missing the main point.

The right hon. Gentleman asked a number of very reasonable questions. In answer to his specific question about how the matter was handled at the time, I refer him to paragraph 7.2.2 of the report, which says:

"We were told that Flt Lt Tapper telephoned his Deputy Flight Commander on the evening before the delivery of ZD576 to Northern Ireland expressing concern that some time had passed since his conversion training. He felt unprepared to fly the aircraft. He had attempted to persuade the tasking authority to spread the load between more than one aircraft, but his request had been refused."

Yes, there will be questions of compensation arising. I spoke today to some of the families involved, but I did not feel that today was the appropriate time to be talking about money when there are very serious points of principle and we are opening up a very difficult emotional period for the families. However, we will undoubtedly take this forward in the usual way with those families.

As regards details appearing in the media, the right hon. Gentleman will recognise that very many of those were completely wrong. I suspect that people were making educated guesses that turned out to be not so educated.

Finally, neither Lord Philip nor his team criticised the initial board of inquiry. The problem came with the reviewing officers who attributed gross negligence when the board of inquiry had not come to a specific conclusion about who or what was to blame for the crash.

Sir Malcolm Rifkind (Kensington) (Con): As Secretary of State for Defence at the time of the Chinook accident, and having given evidence to the Philip inquiry, may I say that I am delighted and relieved that this decision has been announced by the Secretary of State? It is a decision that is right, that is necessary, and that is long overdue. As the Royal Air Force decided some years ago that it was not going to continue to try to assess questions of negligence in its own internal inquiries because that was much more appropriately a matter for the courts of law, is it not very sad that the RAF and, indeed, the Ministry of Defence, despite changing their own procedures and despite the mounting evidence from many authoritative inquiries, have chosen to resist for 16 long years the annulment of this injustice, which arose out of these very procedures?

Dr Fox: I am grateful to my right hon. and learned Friend for his thanks for the decision that has been made. It is right, I think, that the RAF took the decision that questions of negligence and blame should be set aside in order to try to get to the truth of the cause of any particular accidents. It is very regrettable that it has taken such a long time to get to the situation today. However, it is none the less a tribute to many Members in this House who have felt that an injustice was being done. It shows the House of Commons at its best when pressure from the House of Commons can cause an injustice to be overturned.

Mr Frank Field (Birkenhead) (Lab): May I congratulate the Secretary of State on showing the guts to get his Department's public stance to where justice demanded it should have been for many a year? While he has naturally concentrated on the families of the two pilots, 27 other families are also involved. Will he think of ways in which the views of this House might be conveyed to them as well?

Dr Fox: The right hon. Gentleman makes a very important point. We have tried to share some of this process with those families. I understand that for many of them this will have been a difficult reopening of a sad and painful process. I hope, however, that although it has been reopened, we have, with the conclusions that we have come to today, given them proper closure by reaching a just and equitable verdict.

Mr James Arbuthnot (North East Hampshire) (Con): May I congratulate and thank my right hon. Friend and Lord Philip and his team for putting right an injustice that has lasted for far too long? May I add that the air marshals who did the reviewing and who overturned the original finding, while they were quite wrong in their decision, are nevertheless wholly honourable men who were doing what they believed was right on the basis of the legal advice that they were given? Will my right hon. Friend acknowledge that a massive contribution to this famous victory was made by people such as Brian Dixon and Tony Collins of *Computer Weekly* and David Harrison of Channel 4, the noble Lord O'Neill, and people from both sides of this House and of another place in contributing to the notion that justice should finally be done and closure should arrive?

Dr Fox: I entirely agree that the air marshals concerned did what they believed to be right. They followed their consciences. They are fine, decent and honourable men. They were, in my view, not correctly informed about the law and the rules that applied at the time. Given that there were, I imagine, a number of legal personnel who took a contrary view, it is a shame that it has taken so long for that view to be brought to light, and I am grateful to Lord Philip for achieving that. I entirely agree with my right hon. Friend that there are many beyond this House who have sought resolution in this case for a very long time. They played an important part in keeping the issue alive for long enough for justice to be done. It does not matter how long it takes; it matters that it is done in the end.

Several hon. Members *rose—*

Mr Speaker: Order. This is a hugely important and sensitive matter both for the families concerned and for the country as a whole, but I must remind the House that there is heavy pressure on time. I appeal to colleagues to ask short questions, and I know that the Secretary of State will provide characteristically short replies.

Angus Robertson (Moray) (SNP): I give an unqualified welcome to the inquiry conclusions and hope that this finally provides natural justice to the Cook and Tapper families. Will the Secretary of State confirm that the inquiry had available to it all relevant documents, including the Chinook airworthiness review team report? May I pay tribute to the Secretary of State, who said in opposition that he would seek to right this wrong? He has done just that, and he deserves praise and recognition for doing so.

Dr Fox: I am grateful for that. On a day when so many elements of public life are being torn down, it is perhaps useful that we have an example of where the House can come together and where, when we say one thing in opposition, it actually happens in government.

I confirm to the hon. Gentleman that all the documents that Lord Philip and his team asked to see were made available. In fact, when the report was presented to me I checked again that they had been given access to any material that they had sought and were able to speak to any individuals they had wanted to see. I understand that the report that he mentions refers to the Mark 1, not the Mark 2, and so it would have been less relevant in this case, but none the less it was released and made available to the inquiry.

Malcolm Bruce (Gordon) (LD): I thank the Secretary of State for his statement and his unqualified apology to the House. Having been a member of the team, I also thank Lord Philip for the way in which he conducted the inquiry, for the advice that he gave, and for the fact that we had a collective but unanimous decision. The standard of proof was designed for a layman and is clear beyond any doubt whatsoever, and yet the legal advice given to the air marshals was that it meant whatever the RAF wished it to mean, which is not a standard of legal advice that anyone in this House would recognise. Will the Secretary of State conclude that we will never know what happened on the Chinook, but the families should now have comfort that the matter can be put to rest?

Dr Fox: I reiterate my great thanks to my right hon. Friend for the work that he has done. The conclusions that he has stated are correct. All I would say is that in producing this report we seem to have created a crack team, and I am sure that Governments with inquiries in future will take note of that.

Mr Jim Hood (Lanark and Hamilton East) (Lab): May I equally thank the Secretary of State and compliment him on correcting this wrong?

I have to say that my recollection, having sat on the Select Committee along with my friend the right hon. and learned Member for North East Fife (Sir Menzies Campbell), is not as kind towards the air marshals as what has been said today. The truth is that they did not have any evidence on which to come up with the decision that they did, and they laid their decision on legal advice. The families of those two pilots were right to expect that two air marshals would know better and not rely on a decision by lawyers. The two pilots have been scapegoated for all these years, and respective Defence Ministers and the officials in the Ministry of Defence have run away from this for all these years. The House is indebted to the Secretary of State for having corrected this wrong, but we cannot correct the wrong without pointing out that the two air marshals were a serious part of the problem.

Dr Fox: In fairness, the board of inquiry said that the most likely cause of the crash was pilot error, but it did not attribute blame. The air marshals used their experience and intuition to make a judgment based on the board of inquiry's findings. Lord Philip and his team found that they were not able to do that based on the level of evidence required to attribute negligence in the way that they did.

Several hon. Members *rose—*

Mr Speaker: Order. As I look for a single-sentence question, I feel sure that the test will be met by the right hon. Member for Haltemprice and Howden (Mr Davis).

Mr David Davis (Haltemprice and Howden) (Con): I am not sure that I can meet that expectation, Mr Speaker, but I will do my best. Part of the problem arises from the clash between the demands for justice and for a solution that prevents an accident from happening again. The Secretary of State appears to have solved the justice problem for the future with a change to the rules on the attribution of blame. One of the problems was that there was no black box in this aircraft. Will he ensure that all RAF aircraft will in future have black boxes so that we will know the cause of any crash?

Dr Fox: Yes. I am grateful to my right hon. Friend for his support and long-standing campaigning on this issue. I have checked that we are now fitting black boxes routinely on all Chinooks. I can confirm that to my right hon. Friend.

Kate Hoey (Vauxhall) (Lab): I pay tribute to the Secretary of State for his personal dedication to and interest in this matter, and to his party and his coalition partners for putting the issue in their manifestos. Does this not send out a message to anyone who is fighting injustice that if they persevere and continue to push their case, they will eventually, if they are right, see justice?

Dr Fox: I of course agree with the hon. Lady. There are a lot of downsides to being a Member of Parliament, but one upside is the ability to see justice done and a wrong righted.

Sir Menzies Campbell (North East Fife) (LD): If Parliament exists for the redress of grievance, today is a most eloquent illustration of that principle. My right hon. Friend deserves great credit for taking the decision that he has announced, and for the nature of the apology he has offered to the families, with whom I have been in contact over many years in relation to this campaign. I have always been impressed by their steadfast determination and dignity. Does my right hon. Friend understand that satisfaction at the outcome today is tempered by dismay that the original decision turned on legal advice that was palpably and self-evidently wrong?

Dr Fox: What I find somewhat difficult, having looked back at the various inquiries, is that nobody seemed to focus on the quality of the legal advice given at the time to the reviewing officers. There was a lot of focus on what happened on the ground and on the condition of the aircraft. Nobody seemed to focus on this essential point, which seems to be where the injustice emanated from.

Lady Hermon (North Down) (Ind): The Chinook helicopter crash in the Mull of Kintyre in 1994 was, as the Secretary of State said in his statement, one of the worst in the history of the Royal Air Force. Of course, it was also the worst accident in the history of the Royal Ulster Constabulary, with 10 of its noble officers being killed. May I take this opportunity to say to the Secretary of State, his colleagues and the House that the widows of those RUC officers will be absolutely delighted and hugely relieved that the terrible stigma of gross negligence is today lifted from those two brave and courageous young pilots?

Dr Fox: I am extremely grateful to the hon. Lady. I entirely echo her sentiments about the RUC.

Dr Julian Lewis (New Forest East) (Con): Does the Secretary of State agree that this is a modern day version of the famous Archer-Shee case, which involved the Royal Navy and the theft of a postal order, and which became the basis of a famous play in which the service would not admit that it was wrong? Will he add to his list of people who should be thanked the right

hon. Lord Chalfont, who more than a decade ago instituted a debate that focused on the very point that the Secretary of State has emphasised today? Finally, does he share my regret that some close family members of the pilots are no longer alive to get the vindication that they deserved more than a decade ago?

Dr Fox: This may well be a modern version of "The Winslow Boy". It is not the size of the injustice that matters, but the fact that it is an injustice. I commend Lord Chalfont for what he did on this matter, just as I thank many colleagues in the other place who have done so much to keep this case alive.

Ian Paisley (North Antrim) (DUP): I would like to add my thanks to the Secretary of State for overturning in such a contrite and decent way what was a personal slight on the lives of two pilots and a slight on the entire system. He mentioned in his statement that the Ministry of Defence should reconsider its transport arrangements for senior intelligence personnel. We lost 10 gallant officers that evening on the Mull of Kintyre who could have changed the face of the troubles, and indeed shortened the troubles by up to 10 years. That human intelligence source was lost. That must not happen again because of travel arrangements. The Secretary of State is reconsidering the policy. Can he assure us that it will be changed forthwith?

Dr Fox: I have made it very clear that I accept the recommendation and that change will follow. We will review all current procedures. There is no doubt that that procedure was dangerous and wrong, to the detriment of this country's security. We saw a similar phenomenon recently with the Polish Government. It does not make sense for any country to allow that amount of its national investment to be in any one vehicle, be it on the ground or in the air.

Dr Andrew Murrison (South West Wiltshire) (Con): The military covenant was betrayed in this case, and I congratulate my right hon. Friend on bringing some redress. What will he do to ensure that the quality of legal advice, which is still relevant in Iraq and Afghanistan where there have been issues over such advice, is improved so that we do not see a repeat of this sort of thing?

Dr Fox: It is impossible to guarantee that the advice from any one human being will be perfect. We therefore need to look constantly at the quality of advice and at the sources of that advice, and to ensure that it is spread widely enough to minimise the inevitable risk of human error.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I, too, welcome the Secretary of State's statement. I hope that it will bring comfort to all the families concerned. Surely it should have been common sense after the accident that there should have been no repetition of vital personnel being transported in such a way. Is the Secretary of State aware of instances where that reoccurred after the accident and where personnel vital to our national security were carried as one group?

Dr Fox: I am not aware of a specific instance. I think that this tragedy brought home the risk of doing that. Whether or not it has happened in the past, it will not happen in the future.

Bob Stewart (Beckenham) (Con): Three of the colonels on board the Chinook that day were friends of mine. One of them, Lieutenant-Colonel Richard Gregory-Smith, a commander of intelligence in Northern Ireland, was the godfather of my first son. Does the Secretary of State agree that the families have shown huge dignity and great courage in the years since 1994?

Dr Fox: I think that the families have shown calmness, dignity, great strength and great courage. I hope they feel today that all of that has been vindicated.

Ms Margaret Ritchie (South Down) (SDLP): I thank the Secretary of State for his statement. I sympathise with and convey my condolences to the 29 families who lost loved ones on 2 June 1994. That was some three months before the first IRA ceasefire. Will the Secretary of State undertake to write to all the families to convey the information in today's report, which has been accepted by himself and the Government? Will he also indicate why the 1992 inquiry into the effectiveness of Chinooks was not taken into consideration?

Dr Fox: As I said, all documents were made available to the inquiry by Lord Philip and his team. They were able to take into account anything that they wanted. The documents were all made available to them, and they subsequently had a look at the document to which the hon. Lady refers. I will certainly ensure that all the families of the deceased get not only a full copy of the report but a copy of what has been said in the House today, which I am sure they will find extremely reassuring.

Martin Horwood (Cheltenham) (LD): I welcome the Ministry of Defence's apology today, which is absolutely right, and I pay tribute to the families and the many campaigners, including my right hon. and learned Friend the Member for North East Fife (Sir Menzies Campbell), who have campaigned for it. However, it is well over a decade since the erroneous advice was given to the air marshals. What can the Government now do to ensure that it never takes so long again to overturn something that has turned out to be palpably incorrect?

Dr Fox: I think we need to begin such a process by dealing with any such issue with a clean sheet of paper and a clear mind. The advantage of what Lord Philip and his team have done is that they were hugely objective. They had no preconceived view, nor did they have any knowledge in detail of the events that they were looking into. That in itself was a huge advantage in allowing them to see the details that needed to be seen that had perhaps been overlooked before.

Mrs Madeleine Moon (Bridgend) (Lab): Today's statement represents the successful persistence of many right hon. and hon. Members. It also represents the success of common sense over legal advice—but to be longer lasting, it must represent a new chapter in how we conduct such inquiries in future. Can we have a statement from the Secretary of State confirming that new standards and new ways of conducting such inquiries will be in place for the future?

Dr Fox: The hon. Lady raises a very interesting point, and it is one that I raised with Lord Philip and his team. Given that I think there is wide acceptance in the House that they came to a conclusion that had been missed too often by previous inquiries, the question is: why? I have

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asked Lord Philip whether he would mind setting out why he thought this particular inquiry had worked, and, from his perspective and that of his team, why they thought they were able to get at the kernel of truth that was missed so many times in the past. Looking at their methods, and how they went about drawing up their report, would be hugely instructive and helpful as a template for similar inquiries in the future.

Stephen Phillips (Sleaford and North Hykeham) (Con): May I add my tributes to those given by my right hon. Friend the Secretary of State and other hon. Members? I want to return, if I may, to the legal advice that forms the basis of the report. It appears that the conclusions of the original legal advice were obviously and palpably wrong. I quite understand that my right hon. Friend cannot give assurances about the quality of future advice, but there appears to have been a culture within the Department of seeking to defend the indefensible on the basis of something that was absolutely and obviously wrong, and he can give assurances about that culture. Will he assure the House that he will investigate that culture, see whether it existed and deal with it?

Dr Fox: I hope that we have shown by our very approach to this subject that we are willing to do so. I was not willing to accept an assurance that everything had been checked and everything was fine, which was why we set up this inquiry in the first place. Too many experienced people in the House had spoken to me as we all discussed the matter and said that they felt intuitively unhappy and worried that an injustice had happened. It says a lot for Members of Parliament that when they intuitively felt that uncomfortable, we did not simply accept what had gone before but sought to take an independent and rigorous view of how it should be addressed.

Thomas Docherty (Dunfermline and West Fife) (Lab): Does the Secretary of State propose to review not just the methodology of transportation but the purpose of moving such a large number of personnel?

Dr Fox: It is of course perfectly reasonable to have large collections of those with the appropriate expertise when necessary, but it is also incumbent upon those who organise such events to ask whether they really need to have so many personnel with that level of knowledge in one place, especially with modern electronic communication capabilities.

Mr Peter Bone (Wellingborough) (Con): I know personally that RAF Chinook pilots are highly skilled, highly professional and of the highest integrity. In Afghanistan today, Chinook pilots will be putting their lives at risk, and the Secretary of State's statement today will be widely welcomed by them.

Dr Fox: I am especially grateful to my hon. Friend, as he is the father of one such brave Chinook pilot, who deserves praise as one of the very large number on whom so much of our national security depends.

Jim Shannon (Strangford) (DUP): I thank the Minister for his statement and for the report. I have had the occasion over the years to meet some of the families who lost loved ones. We certainly sympathise greatly with them, and I agree with his sentiments about them. Can the Secretary of State confirm that each of the families who have lost loved ones, who have waited for so long—17 years—for a conclusion to this saga and this tragedy will have all the conclusions and recommendations of the report made available directly to them, so that they can in some way have some closure?

Dr Fox: As I said, I intend that not only a full copy of the report, with all its recommendations, but a copy of what has been said in the House today will be available to all those families, so that they can see the redress of the injustice, what we have done to investigate the issue fully and the warm and welcome words of Members on both sides of the House.

Mr Alan Reid (Argyll and Bute) (LD): This was a terrible tragedy that took place in my constituency, and it was made all the worse for the relatives by their long 17-year wait for the announcement that we have heard today. I congratulate my right hon. Friend on establishing the review board, and I congratulate its members and all those who have campaigned for so many years to overturn the unjust verdict. What procedures are in place so that if in future a verdict is subject to so much challenge, including by a fatal accident inquiry, it can be reviewed much more quickly?

Dr Fox: As I said in reply to the hon. Member for Bridgend (Mrs Moon), we set up a mechanism that seemed to be effective, that was relatively quick and that was able to identify the weakness that previous inquiries had failed to identify. As a House, we should look to see why it was effective when others were not, and learn from that procedure.

Naomi Long (Belfast East) (Alliance): I welcome the outcome of the inquiry and commend the Secretary of State and the Government for the actions that they have taken in bringing long-awaited vindication to the families concerned. The Secretary of State has said that we will never know the cause of the disaster. However, he also said that two requests were made by Flight Lieutenant Tapper and refused. Is he satisfied that such requests are, and indeed were, given full consideration, and would be in future?

Dr Fox: It is impossible for me to say how much consideration was given to a particular request so many years ago, but I would hope that if a pilot expressed worry about his lack, or perceived lack, of experience in such a mission, that would be dealt with sympathetically by those in command.

May I say finally that I am sure the families themselves, whom I met before the statement today, will be very grateful to all Members for their warm words and for the way in which they have welcomed this report today?

Point of Order

2.38 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): On a point of order, Mr Deputy Speaker. I rise to seek your guidance further to the serious concerns raised yesterday by my hon. Friend the Member for Plymouth, Moor View (Alison Seabeck). During my Westminster Hall debate on housing market renewal scheme cancellation, the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), described representations by hon. Members on behalf of constituents who are living in the most appalling conditions as "sob stories".

However, when we consulted *Hansard* after the debate, the word "sob" had been removed. When I checked *Hansard* again this morning, I found that the phrase "sob stories" had been replaced with "different stories". Having watched back the video, it is absolutely clear that the Minister used the phrase "sob stories", which vulnerable people trapped in tragic circumstances will find a deeply offensive way to refer to their plight. Is there any way, Mr Deputy Speaker, that you or your good offices could look again at this issue? The record is an inaccurate representation of what was said during the debate.

Mr Deputy Speaker (Mr Lindsay Hoyle): My understanding is that this was raised yesterday with Mr Speaker, who has promised to look into it and is going to come back on the matter. I am sure the Editor of *Hansard* will have heard what the hon. Lady has to say and will look into the matter as a matter of urgency.

Youth Employment

Motion for leave to bring in a Bill (Standing Order No. 23)

2.39 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I beg to move,

That leave be given to bring in a Bill to establish a programme to provide training and employment opportunities for unemployed young people between the ages of 16 and 25; to establish a comprehensive careers guidance service for young people seeking to enter the job market; to enable Apprenticeship Training Agencies to assist small businesses in employing apprentices; to provide small businesses with a National Insurance contributions holiday; to make provision for grants towards the wage costs of apprentices employed by small businesses; to make provision for a mechanism through which banks and other providers of financial services are required to allocate part of their bonus payment budget to support these measures; and for connected purposes.

Obviously, I welcome the small reduction in the figures announced today, but the truth is that we do not really know how high youth unemployment is in this country. The Prince's Trust, which does such fantastic work with young people, claims that there are enough unemployed young people to fill every football stadium in the premier league, with almost 200,000 left queuing outside. It is true that youth unemployment is now much higher than it was in the second quarter of 2010. About 1,300 young people in my Selly Oak constituency are known to be unemployed. We also know that we now have the highest youth unemployment since 1992, and that one in five young people are unemployed.

John Philpott, the chief economic adviser of the Chartered Institute of Personnel and Development, argues that the best way to understand the full impact of unemployment on young people is to look at those not in education, employment or training. Helpfully, the Department for Education publishes those figures quarterly, and we can see from its statistics that youth unemployment is hovering around the 1 million mark. That is too high for a civilised society and a modern economy. How can we be optimistic about the future if we are prepared to subject our young people to a life of worklessness? How can parents have faith in a Government who are willing to let this happen? I witnessed it happen to a generation in the 1980s, and I do not want to see it happen again. That is why I am arguing that we need a fresh initiative to tackle the problem.

I want us to create a training and employment programme for those aged 16 to 25, because I believe that that is the only realistic way to tackle a problem of that size. That kind of unemployment can have long-term damaging effects. It is estimated that a period of unemployment at the beginning of someone's career can have a significant scarring effect through their entire working life. Bell and Blanchflower argue that unemployment when young, especially for a lengthy period, causes permanent scars. It raises the probability of being unemployed in later years and institutionalises a wage penalty over the course of a lifetime.

Those effects are much greater for younger people than for older people. Gregg and Tominey used the national child development study to argue that youth unemployment imposes an impact on individuals' wages of 12% to 15% by the age of 42. Inactive young people are also more likely to be involved in crime, and significantly more likely to be unemployed later in life, as well as

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having a higher propensity for physical and mental health problems, and drug and alcohol abuse. We owe it to our young people to do everything we can to prevent that scar of unemployment.

We need an employment programme that offers hope and opportunity, and we need training designed to address the structural gaps in our system. There needs to be more focus on science, technology, engineering and maths to help to reduce some of the mismatches between young people and employers. STEM skills are essential in sectors that are key to the future of UK competitiveness, such as IT, pharmaceuticals and high-value manufacturing, yet two fifths of employers report difficulties in recruiting STEM-skilled staff.

As part of a sustained programme to tackle youth unemployment, we also need to sort out the mess that has developed in careers advice and support for young people, especially the vulnerable and those whom we describe as NEETs. This is exactly the wrong time for the confusion and doubt sweeping the country as the Connexions organisation reels under the weight of local government cuts. We were told that cuts in the Department for Education area grant would have a limited impact, but we now see careers advice across the country decimated. In Birmingham the jobs of 200 Connexions staff are in doubt, and in some parts of the country provision is already being reduced to little more than online advice and a telephone help service. Barnardo's, which specialises in work with vulnerable young people, says that it is extremely concerned that the closure of Connexions centres will leave many young people without advice and support this summer.

When the Tory party talked about an "all-age careers service" in its pre-coalition, pre-election manifesto—we should remember that that is what people thought they were voting for—I wonder how many realised that that was code for transferring specialised support to Jobcentre Plus advisers. I am sure that those advisers do a good job, but they do not have specialised skills in working with young people, and of course they can work only with the 16 and 17-year-olds who receive jobseeker's allowance, which means they will not be helping the vulnerable, such as the NEETs, and those who too easily slip through the net.

The Federation of Small Businesses, whose knowledge and experience of small businesses we should listen to, is calling for a nationwide effort to encourage apprenticeship training agencies to act as host employers for small businesses. It points out that only 8% of small businesses have taken on an apprentice in the past year, but that 14% would be encouraged to do so if a separate organisation dealt with matters such as training, administration and employment.

The FSB is urging the National Apprenticeship Service in England to promote the benefits of apprenticeship training agencies to small and micro-businesses. It is also calling for a national insurance contributions holiday to help small businesses to give our youngsters a chance. The current national insurance holiday helps only start-ups that employ up to 10 people. It may come as a surprise to hon. Members, but start-ups employing 10 people are not common—the FSB says that most of its 205,000 members actually employ five or fewer staff.

Government data suggest that about 3,000 businesses are benefiting from the current scheme, but the Government promised that 300,000 businesses would be set up as a result of it. That suggests that money is available to help micro-businesses that employ five or fewer staff. Ultimately, the Treasury would benefit from extending a national insurance holiday, because more people would pay tax.

Youth unemployment costs more than £23 million in benefits every week, and lost productivity costs about £10 million a day: £600 million pounds would be enough to fund 100,000 young people directly, and perhaps more, in a proper Government work and training programme. It could also be used to stimulate businesses, which could mean that 10,000 more youngsters were given a chance.

The public are ahead of us on this matter, because they know that we should fund such a programme from a levy on the money set aside for unearned bonuses for wealthy bankers, who are continuing to pay themselves money that they have not earned while the rest of the country suffers as a result. I commend the Bill to the House.

2.50 pm

John McDonnell (Hayes and Harlington) (Lab): It is with deep regret that I oppose this Bill, and my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe). I realise that his plan is well intentioned, but it contains several serious weaknesses, and in one instance a literally fatal flaw.

The first of my concerns are relatively minor, but they still need to be addressed. My hon. Friend proposes to re-establish the careers service scrapped by the previous Government—the Connexions service—but regrettably the proposals are not specific about the scale or location of that service. They do not explain who would be responsible, how it would be paid for or how many members of staff would be employed. They are too general on those matters. They also propose the establishment of apprenticeship training agencies to assist small business—but, to be frank, it is not small businesses that will provide apprenticeships. The bigger gains will come from large employers, which are not pulling their weight at the moment in developing apprenticeships. I regret therefore that my hon. Friend's proposals do not focus on the large employers.

The outline proposals also say that there will be an inducement to small firms in the form of national insurance cuts and grants to small businesses. I have some anxieties about that, because in the three most recent Finance Bills both the previous Government and the present Government have significantly reduced corporation tax for small businesses and increased capital allowances. My hon. Friend also said that his proposals would be funded by bonus payments to banks and the financial services, which would subsidise the development of apprenticeships. I fully agree with part of that, although it would have been better had he supported my amendment to the Finance Bill on the Robin Hood tax—but perhaps he succumbed to pressure from the shadow Chancellor, as did other Members.

My main concern about the proposals for the Bill, however, is about the lack of reference to a key question about apprenticeships: how can they be made safe on the shop floor? That was one of the key issues addressed

by the previous Government, so I regret that my hon. Friend made no reference to it in either his outline proposals or his speech. The previous Government promoted apprenticeships from 1997 onwards, and in the early 2000s the numbers expanded greatly. We all supported that—it was supported across the House—but one element was not put in place: the implementation of health and safety measures when apprenticeships went on to the shop floor.

In 2003 nine apprentices died as a result of a lack of health and safety measures in the companies in which they were placed. As a result, my hon. Friend the Member for Bury South (Mr Lewis), who was then the skills Minister, rightly brought in the civil servants, identified the problem and allocated resources—under legislation and with duties attached—to the Learning and Skills Council, which were then inherited by the Skills Funding Agency. A team of staff were appointed to go into firms where apprentices were placed and carry out a health and safety assessment. In that way, we reduced nine fatalities a year to none. However, that problem is not addressed in my hon. Friend's proposals.

Since securing health and safety protection for apprentices we have maintained an excellent record, but there is a tragedy waiting to happen. The very staff whom the previous Government appointed—a small unit of 25 in the Skills Funding Agency—are to be sacked in September. Regrettably, the Bill does not address that issue. I would have expected my hon. Friend to include in his proposals a further statutory duty for any proposed apprenticeship training agency to ensure that health and safety are respected and promoted.

It is a matter of regret that these members of staff, who came to meet us yesterday, are to be sacked in September. None of them will be available for the implementation of the Bill. There will be no inspections of workshops, factories or offices, or wherever else apprentices are to be placed. As a result, I predict that there would be a return of injuries and fatalities, and I believe that the House would have some responsibility for those deaths. I would therefore expect my hon. Friend to insert into his Bill a clause giving any Government seeking to develop apprenticeship schemes a further legal duty to ensure that whenever an apprentice is recruited there is a duty of care to ensure that wherever the apprentice is placed complies with health and safety legislation.

The argument that the Government have put, and which might be made in the debate on the Bill, is that the job of the Health and Safety Executive is to ensure that a health and safety regime exits in such companies. I am afraid that that is no longer the case. As a result of the cuts that the Government are implementing, the reduction in staffing for health and safety and the threat from the recent White Paper, health and safety inspections no longer take place on the same scale. That means that when apprentices recruited under this legislation entered the workplace, they would be at serious risk. I would therefore expect any legislation promoting the recruitment of apprentices—I fully agree with apprenticeships, because they ensure that people get a decent training—at least to establish a duty to ensure that those apprentices are safe.

In 2003, when nine youngsters died, my hon. Friend the Member for Bury South took advice from a range of experts—we can offer the correspondence to the Minister for Further Education, Skills and Lifelong Learning—and that advice was very straightforward: we needed to take additional responsibility to protect the health and safety of apprentices going out to work. These people are not experienced workers and are therefore even more at risk than those who have been in the workplace before, so we have a special responsibility. Legislation is being promoted that we hope the Government will accept, which would vastly expand the recruitment of apprentices and opportunities for young people—particularly, as my hon. Friend the Member for Birmingham, Selly Oak mentioned, for those not in education, employment or training, who are the people most desperately in need of work and apprenticeships of this sort. If we undertake an expansion on that scale, we have a responsibility to ensure that those youngsters are safe.

The ten-minute rule Bill unfortunately does not address that issue. I hope that this debate will enable my hon. Friend to reconsider the matter and propose a more appropriate Bill that addresses this issue. More importantly, I hope that the Government are listening. In less than 12 weeks, the health and safety team in the Skills Funding Agency will be sacked. As a result, youngsters will be put at risk. I urge the Government to think again on this matter, because as a result of that action we could revert to 2003, and I remember the nine fatalities that occurred as a result of inappropriate protection for those youngsters, as we expanded the apprenticeship scheme at that time.

I say to my hon. Friend the Member for Birmingham, Selly Oak that although this Bill is well intentioned, although it has good elements and although he has clearly identified a range of issues that need to be addressed, this is not the appropriate way to go about it. I do not believe that he has identified the appropriate mechanism, nor do I believe that he has addressed all the issues, in particular the health and safety of the youngsters concerned. I would urge him to take his proposals back, redraft them and engage in a dialogue with the Government. Let us examine the issue with the staff who are about to be sacked. Let us try to put in place appropriate protection for those youngsters, so that when we give them an apprenticeship not only will they receive training, but they will be protected and appropriate health and safety measures will be in place to ensure their security.

Question put (Standing Order No. 23).

The House divided: Ayes 241, Noes 35.

Division No. 325] **[2.59 pm**

AYES

Abbott, Ms Diane	Beith, rh Sir Alan
Abrahams, Debbie	Bell, Sir Stuart
Ainsworth, rh Mr Bob	Benton, Mr Joe
Alexander, rh Mr Douglas	Berger, Luciana
Alexander, Heidi	Betts, Mr Clive
Ali, Rushanara	Bingham, Andrew
Andrew, Stuart	Binley, Mr Brian
Ashworth, Jon	Blackman, Bob
Bailey, Mr Adrian	Blackman-Woods, Roberta
Bain, Mr William	Blears, rh Hazel
Balls, rh Ed	Blomfield, Paul
Banks, Gordon	Bone, Mr Peter
Beckett, rh Margaret	Bradshaw, rh Mr Ben
Begg, Dame Anne	Brennan, Kevin

Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burt, Lorely
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Elliott, Julie
Ellman, Mrs Louise
Evans, Chris
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Fuller, Richard
Gapes, Mike
Gardiner, Barry
Garnier, Mark
George, Andrew
Gilmore, Sheila
Glindon, Mrs Mary
Goodman, Helen
Gray, Mr James
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Havard, Mr Dai
Hemming, John
Hendrick, Mark
Hermon, Lady
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Horwood, Martin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Huppert, Dr Julian
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Knight, rh Mr Greg
Lammy, rh Mr David
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Leech, Mr John
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Lumley, Karen
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Karl
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McIntosh, Miss Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Munt, Tessa
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Percy, Andrew
Perkins, Toby
Phillips, Stephen
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reckless, Mark
Reevell, Simon
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rogerson, Dan
Rosindell, Andrew
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Smith, Sir Robert
Spellar, rh Mr John
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vickers, Martin
Walker, Mr Robin
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Wicks, rh Malcolm
Williams, Mr Mark
Williams, Roger
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Valerie Vaz and Karl Turner

NOES

Bone, Mr Peter
Bruce, Fiona
Cairns, Alun
Carmichael, Neil
Coffey, Dr Thérèse
Colvile, Oliver
Crouch, Tracey
Davies, Philip
Ellis, Michael
Evans, Graham
Evans, Jonathan
Flynn, Paul
Glen, John
Griffiths, Andrew
Halfon, Robert
Hollobone, Mr Philip
Johnson, Gareth
Latham, Pauline
Lee, Dr Phillip
Lilley, rh Mr Peter
Lord, Jonathan
McCartney, Karl
Mitchell, Austin
Mosley, Stephen
Mowat, David
Nuttall, Mr David
Percy, Andrew
Phillips, Stephen
Rees-Mogg, Jacob
Russell, Bob
Tomlinson, Justin
Turner, Mr Andrew
Walker, Mr Charles
Wharton, James
Whittaker, Craig

Tellers for the Noes:
Kelvin Hopkins and Jeremy Corbyn

Question accordingly agreed to.

Ordered,

That Steve McCabe, Mr Jim Cunningham, Valerie Vaz, Ms Gisela Stuart, Ms Margaret Ritchie, Siobhain McDonagh, Kate Hoey, Mr Frank Field, Richard Burden Kate Green, Jim Sheridan and Mr Iain Wright present the Bill.

Steve McCabe accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 25 November, and to be printed (Bill 219).

FIXED-TERM PARLIAMENTS BILL (PROGRAMME) (NO. 3)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Fixed-term Parliaments Bill for the purpose of supplementing the Orders of 13 September and 24 November 2010 (Fixed-term Parliaments Bill (Programme) and Fixed-term Parliaments Bill (Programme) (No. 2):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion two hours after their commencement at today's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(James Duddridge.)*

Question agreed to.

Fixed-term Parliaments Bill

[Relevant documents: The Second Report from the Political and Constitutional Reform Committee, Fixed-term Parliaments Bill, HC 436, and the Government response, Cm 7951.]

Consideration of Lords amendments.

Clause 1

POLLING DAYS FOR PARLIAMENTARY GENERAL ELECTIONS

3.13 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I beg to move, That this House disagrees with Lords amendment 1.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this we may take Lords amendments 2 and 9.

Mr Harper: I should like to make it clear that I am proposing that the House disagrees with their lordships on amendments 1, 2 and 9, and I shall set out the reasons for that. For the benefit of Members who have not had the chance to study the amendments in detail, they provide that the provisions in this excellent Bill be subject to a sunset clause after the next general election. Each subsequent Parliament would have the choice of whether to be a fixed-term Parliament or not. The Government want to oppose the amendments because we think that they fundamentally undermine the purpose of the Bill, which was welcomed by, among others, the Political and Constitutional Reform Committee of this House. I see a member of the Committee, the hon. Member for Stoke-on-Trent Central (Tristram Hunt) sort of agreeing with me on the Opposition Benches.

In bringing forward the Bill, we are seeking to put in place a provision that we hope will become an established part of our constitutional arrangements—namely, that fixed-term Parliaments for this UK Parliament become the norm, just as they are for local government, for the devolved legislatures and for the European Parliament. Two of the most important things in the Bill—in the form that the Government would like it to take—are, first, the proposal for an ability to deny the Executive the ability to choose a date for a general election to suit their own ends and to ensure that the Prime Minister gives up that power for the first time, and, secondly, to deliver certainty on how long a Parliament will last, which will benefit not only parliamentarians but the public.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Was the Minister disappointed, as I was, that their lordships did not seek to alter the limit for the fixed-term Parliament from five years to four years, which seems to be what the majority of the British public would like?

Mr Harper: I was not in the slightest disappointed that this House and the House of Lords—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We must stick to the amendments.

Mr Harper: Thank you, Mr Deputy Speaker. My short answer is that I was not disappointed.

Mr Charles Walker (Broxbourne) (Con) *rose*—

Mr William Cash (Stone) (Con) *rose—*

Mr Harper: I will give way in a moment.

If the Lords amendments were accepted, the electorate would have no certainty as to how long the Parliament that they will elect on 7 May 2015 would last. Such certainty, and the principle behind the Bill, have been welcomed by many electoral administrators and by members of the Political and Constitutional Reform Committee.

Mr Walker: Will the Minister tell the House where that desire for public certainty in relation to a five-year Parliament comes from? Does he think that there would be huge upset in 2015 if people were suddenly to discover that the Parliament might run for only four years—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. It would be helpful if the hon. Gentleman could let us know which part of the amendment he is referring to.

Mr Harper: I am grateful to my hon. Friend for his intervention. The polling that has been carried out suggests that the public support fixed-term Parliaments. Indeed, if we think back to the previous Parliament, there was a general sense, both in the House and among the public and commentators, that the "will he, won't he" debate about whether the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) would call an election on becoming Prime Minister was not helpful to good Government or to good democratic accountability. It will be helpful to have greater certainty, as that will benefit us all. Let us ask ourselves this question: if the Bill became law, and fixed-term Parliaments became the norm, would any Minister realistically be able to come to the Dispatch Box and suggest with a straight face that we should change the position and give the power back to the Prime Minister to hold an election at a time of his choosing to suit his political party? Would anyone take that proposition seriously? I suggest that they would not.

Mr Cash: Has it occurred to the Minister that part of the problem with this wretched Bill is that it is trying to organise things to suit the requirements of this coalition? Decisions on the future should actually be down to the public at large, and if they want to get rid of a Parliament, they will do so in their own way. That is where the question of a confidence motion starts to kick in.

Mr Deputy Speaker: Order. We are not dealing with the whole Bill; we are dealing with the amendments. I am sure that the Minister will take that into account in his answer.

Mr Harper: To be fair to my hon. Friend, Mr Deputy Speaker, he was speaking to the amendments that we are discussing. He made the assertion that our proposals would suit this particular Government during this particular Parliament, but that is simply not the case. If the Prime Minister wanted to ensure that this Parliament ran for the full five years and that the general election took place on 7 May 2015, he would need to do only one thing—namely, not approach Her Majesty the Queen to seek a Dissolution before that date. We could thereby achieve a five-year Parliament for this Parliament, but we want to make a change to our constitutional processes—I know that my hon. Friend the Member for Stone (Mr Cash) does not agree with it—to remove from Prime Ministers the ability to choose the date of a general election.

The second part of my hon. Friend's question effectively suggested that a sunset provision would be a good thing. Under our democratic system, the public elect Members of Parliament for a term. At the moment, they do not have a choice about when the general election will be; the sole decision about that sits with the Prime Minister. The Bill seeks to give that power to Members of this democratically elected House. I would have thought that my hon. Friend, as a champion of parliamentary control of the Executive, would welcome that proposition.

Mr Cash: I can assure my hon. Friend that the real question is not whether the Prime Minister wants to call a general election, but what the state of the country is and whether there is a sense of urgency among the public at large. That can force a general election, irrespective of whether a Prime Minister wants to pull the plug.

Mr Harper: I am afraid that my hon. Friend is simply not right. That is not the current constitutional position. The current position is that for a period of time during which a Government have the confidence of this House, the only person who decides whether there should be a general election—assuming that we have not reached the end of the Parliament—is the Prime Minister, who seeks a Dissolution from Her Majesty the Queen. Members of Parliament, unless they vote down the Government on a vote of confidence, do not have that power. The general public certainly do not have that power.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): The Minister's proposition was a much disputed one. It was thought at one stage that Mr Major, when Prime Minister, was prepared to call a general election during the difficulties surrounding Maastricht. The argument put by people such as Robert Rhodes James was that it was a matter for the Cabinet as a whole to give the Prime Minister the authority to go to the Queen—a more collective approach. The coarse person, the Back Bencher on the streets—or rather the Benches here—would argue that the Cabinet at the time would have thrown themselves in front of John Major's car if he went to Buckingham palace, as the last thing the Conservative party could bear at that juncture was a general election. It is a process; that is what my hon. Friend the Member for Stone (Mr Cash) is talking about. The Prime Minister is not the only person who can determine a general election. That is the ebb and flow of real politics, which is what this House is about. That is why, as I am sure the Minister will understand, there is opposition to some of the propositions in the Bill.

Mr Harper: I am not sure that I want to conjure up visions of Cabinet Ministers throwing themselves in front of prime ministerial cars, which is not a happy thought—*[Interruption.]* Some of the comments from Opposition Members are unworthy of them. Let me explain what I do not understand about my hon. Friend's point. He is arguing, I think, for decisions about the timing of general elections to be a more collegiate effort, rather than just the choice of the Prime Minister—but that is exactly what the Bill does. It takes away from the Prime Minister the power to call a general election by

asking the Queen for a Dissolution and gives that power to Members. Two thirds of them can choose to have an early election for any reason, including general concerns about the state of the country, which deals with the point raised by my hon. Friend the Member for Stone. Having this Bill in place would allow that to happen, which cannot be done today. The other way of bringing about an election is the Government losing a vote of confidence. That is why the Government believe that the Bill should be in place; it should not be up to each individual Parliament to decide whether the Bill should remain in force. That is why we oppose these sunset clauses.

We think that the real threat presented by the amendments is that they could create a scenario in which political parties, and specifically the Government party, could choose in each Parliament, even at its beginning, whether that Parliament should be a fixed-term one. As the Bill is currently drafted, both Houses would have to vote in favour of the Fixed-term Parliaments Bill kicking into place at any time during the Parliament. I simply do not think that that is a very sensible proposition. It would mean that Governments would have a way of manipulating the timetable. We should think it through. If both Houses have to vote in favour of a motion for a fixed-term Parliament to be in place, a Government with a majority could simply refuse to pass that motion—and we would effectively have given back to the Prime Minister the ability to call an election. That would not be a positive step forward.

It is important to note that when this House and the other place were legislating for the fixed terms of the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, it was not thought appropriate to have sunset clauses. We did not give those legislatures the opportunity to pick and choose each time how long their terms of office should be. I do not believe that doing so makes sense now.

Mr Cash: When it comes to these Assemblies and other devolved organisations, we respect them, but the analogy the Minister is making could just as well be applied to a parish council.

Mr Harper: That is not an analogy I would make with the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly. When this House made decisions about setting up those bodies, we did not think it appropriate to give them the power to pick and choose their term of office. We set it out in the legislation that set the bodies up.

I am curious to know what the supporters of the Lords amendment think would happen if the next Parliament decided that it did not want a fixed term. It is not very clear from the amendments, how exactly the mechanisms would work. I shall take Members through the Lords amendments shortly and explain how I think they would work.

It has been suggested that a sunset clause would ensure that the issue of fixed-term Parliaments and the merits of this particular Bill would be subject to post-legislative scrutiny. That is not necessary, however. This legislation has already been scrutinised by four Select Committees: the Political and Constitutional Reform Committee, the Lords Constitution Committee, the Joint Committee on Human Rights and the Delegated Powers and Regulatory Reform Committee. I am sure that any one of those Select Committees or another Select Committee will subject the Bill to some form of post-legislative scrutiny, which is something that the Government would welcome. I do not think that these sunset clauses, however, would lead to that type of sensible scrutiny.

I said that I would look at the effect of the Lords amendments on the working of the Bill. Lords amendment 9 talks about a resolution having to be

"approved by each House of Parliament".

That is fairly straightforward. The most unclear provisions relate to clause 7(4), stating that a number of parts of the Bill will have effect

"only until the first meeting of the... Parliament",

which would then decide whether to bring those provisions in. The provisions on early elections and confidence votes would not be clear and it would not be clear how Parliament would be dissolved. The schedule, which has a number of consequential amendments, would also not be in force. The schedule, which repeals the Septennial Act and a whole load of other provisions, would effectively cease to be in force and, presumably, all the repeals and amendments would be unrepealed and unamended. We would then end up with a very complicated constitutional proposition.

Chris Bryant (Rhondda) (Lab): Unless I misheard the Minister, he referred to clause 7(4) of the Bill. I cannot find a clause 7(4).

Mr Harper: I am looking at the copy of the Bill as amended on Report from the House of Lords, which does have a clause 7. It is the final provision clause. It is the bit that is dealt with by one of the Lords amendments that we are debating. I think that the amendment will be confusing. It will make many of our constitutional provisions unclear. I do not believe that those who tabled the amendments and voted for them in the other place have fully thought through how they would work in practice.

Another important issue is the relationship that would be created between this House and the other place if the amendments stay in the Bill. The importance of establishing the primacy of this House came out clearly in our debate on the Government's proposals on House of Lords reform. The amendments would give the House and the other place the ability to vote on whether we have a fixed-term Parliament, without going through the normal legislative process. That could lead to an unfortunate scenario in which this House voted overwhelmingly in favour of the motion that we have a fixed-term Parliament and that the provisions of the Bill, if passed, come into force, while the currently unelected House failed to vote for the motion, so we would not have a fixed-term Parliament. Important decisions about elections in this country, fixed-term Parliaments, the confidence procedures and the ability to trigger early general elections would effectively be made by the unelected House, and that would diminish the power of elected Members.

3.30 pm

Chris Bryant: The Minister's example is completely wrong. If this House voted—on the basis of the Government's and, therefore, the Prime Minister's

[Chris Bryant]

majority—for a fixed-term Parliament, and the other place did not vote for a fixed-term Parliament, whether there would be an early election would be in the hands of the Prime Minister. The will of this House would always have carried.

Mr Harper: The hon. Gentleman confuses the will of the House and the will of the Prime Minister. The scenario that I set out stands. If the other place had chosen not to vote for fixed-term Parliaments, we would not have a fixed-term Parliament, despite this House having voted in favour, and that would give back to the Prime Minister the ability solely to decide whether there should be an election. We would have taken powers away from Members of this House who had voted, perhaps overwhelmingly, to ensure that the Bill was in force. We would have been thwarted by their lordships. Given the importance to Members of the primacy of this House, that effectively moves power in the opposite direction, which Members will find unwelcome.

Mr Cash: I appreciate that the Minister is a Minister of the Crown, but he would get into difficult territory if he suggested that the Prime Minister is a Prime Minister without the confidence of the House of Commons, which is more or less what he has just been saying.

Mr Harper: That is not what I said at all. My specific point is about the relative powers of the two Houses, but the point stands that if we do not have a fixed-term Parliament, we give back to the Prime Minister the power to call an early election. To repeat my example, the amendments would mean that both Houses must vote positively in favour of resurrecting the provisions of the Bill. I want the other place also to be elected—I know that my hon. Friend does not—but under the amendments the elected House, despite having voted by an overwhelming margin, could be thwarted by the unelected House, and the provisions of the Bill would not be in force. The will of the House of Commons, having said that it did not want the Prime Minister to have the power to call an early election, and that it wanted that power to be held by Members of this House, would have been thwarted by the other place. I am sure that my hon. Friend would not agree with that.

Mr Cash: I am grateful to the Minister for engaging in dialogue on this question, but the assumption, at any rate in the mind of the Deputy Prime Minister, is that proposals for reform of the House of Lords will go through by the end of this Parliament. The arguments to which the Minister refers, therefore, will effectively expire when the arrangements for this fixed-year Parliament come to an end.

Mr Harper: I disagree with my hon. Friend. Even if we successfully push our proposals through in their current form, and we have the first set of such elections in 2015, most Members of the other place will still be unelected. Secondly, regardless of how many Members of the other place are elected, we are talking about primacy. Effectively, the amendments would move power away from this House to the other place. Whatever one's views about House of Lords reform, I picked up clearly from our earlier debate that most Members of this place want it to be clear that this place has primacy over their lordships' House. The amendments, perhaps inadvertently, would lead to a different situation.

Mr Robert Syms (Poole) (Con): Under the Bill, a large number of Members of the House must vote for a Dissolution. The person who decides whether there is a general election is, therefore, the Leader of the Opposition, because if the Government and the Opposition want a Dissolution, it happens. Under the amendments, the House of Lords would effectively be taking power away from the Leader of the Opposition, who would be in a position to provide the numbers for a Dissolution.

Mr Harper: I agree. The fact remains that we are taking powers away from this House and giving them to the other place. It has been clear to me from our earlier debates that that view is not widely shared in this House, and indeed, interestingly, it does not appear to be widely shared in the other place. As I observed from careful reading of the report of the debates there, many speakers were very concerned about the primacy of this House, which was good of them. They said that they did not want to damage it in any way. Plainly their support for the amendments was inadvertent; they may not have thought through the consequences fully. I therefore think it would be sensible for this House to disagree with their lordships, and to give them an opportunity to reconsider their decision and return the Bill to the form in which it left this House.

Mark Durkan (Foyle) (SDLP): I recognise the strength of the Minister's arguments. The effect of the amendments, surely, would be to leave us with not a Fixed-term Parliaments Bill, but a Fixable-term Parliaments Bill. We could get into a constitutional "fix" in trying to "fix" the term, with an elected Chamber voting one way and an—in all likelihood—still unelected Chamber voting another way. If that happened, what would be the default position?

Mr Harper: I agree. The hon. Gentleman has put it very well. Under the Bill as the Government want to see it—this House having disagreed with their lordships, and their lordships having accepted that the Bill should remain as it is—its provisions would be in force unless and until a future Parliament changed them. It would be this House that would determine whether an early election should take place if two thirds of Members, that is, a broad consensus, were in favour of it—which returns us to the point made by my hon. Friend the Member for Stone about what would happen if there were a general view that the state of the nation was such that there should be an early election—or if the Government no longer had the confidence of this House. The other place would have no role in that process at all, which I think is right.

As the hon. Gentleman pointed out, if the amendments were in force there would be a "fix" in each Parliament: each Government would effectively be able to choose whether to have a fixed-term Parliament, because they could block the motion passed by this House. Worse, it would not be a choice that the Houses took at the start of a Parliament, because the amendments make no provision for that. At any point during the Parliament, the two Houses, if they passed the motion, could suddenly convert the Parliament to a fixed term. That would be

likely to lead to the position described by my hon. Friend the Member for Stone, with people putting a fix in place to suit a particular short-term need.

Mark Durkan: Does any provision in the Lords amendments or the Bill specify or restrict who can table such a motion in either House, and when or how many times it could be tabled again if whoever tables it does not succeed on the first occasion?

Mr Harper: The hon. Gentleman has put his finger on it. The provisions are completely silent about that. They do not say who would table the motion, or whether the same question could be continually repeated.

The amendments are not very well drafted. I think that they are wrong in principle, because under the normal procedure legislation that is passed stays in force unless it is changed by a future Parliament, but even if we liked the concept of a sunset provision, such a provision ought to be much better drafted and much more effective. This House can choose only between accepting the amendments and disagreeing with them, and I think I have almost made my case that we should disagree with them.

It has been argued that we are trying to bind future Parliaments. That is not what we are trying to do at all. We are merely trying to re-establish the normal constitutional position. We are passing legislation which we hope will become the established position, but if a future Parliament, perhaps the next one, decides that the fixed-term Parliament experiment—an experiment that is common to many countries around the world—has not been successful and has not led to better government, it will be perfectly free to pass another piece of legislation that repeals these measures either in full or in part. We do not have an arrangement whereby we "sunset" every piece of legislation, and an incoming Government then find that the rules are unwritten and they can choose what those rules should be. That would not be a very sensible constitutional position.

Mr Cash: Without going into all the questions relating to judicial supremacy and the claims of ultimate authority by certain members of the judiciary, I am afraid to say that through this measure and a number of others the Government have opened the door to the possibility—indeed the likelihood, as Lord Bingham made clear—of certain members of the Supreme Court interpreting legislation in a way that suits their ultimate authority, as they claim it.

Mr Harper *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. We are straying quite a long way from the amendment. I am sure the Minister was about to point that out.

Mr Harper: I am grateful for your guidance, Madam Deputy Speaker. My hon. Friend's points are probably more relevant to the next group of amendments, when we will talk about adding some specific provisions to the Bill, so he might want to raise them then. If he does so, I shall be able to address them in an orderly way.

The Opposition supported the sunset provisions in the other place, and I anticipate that they will do so again today, so I want to point out why I think they would be wrong. Effectively, the sunset provisions drive a coach and horses through the principle of the Bill. On 24 November last year, the hon. Member for Rhondda (Chris Bryant) said:

> "I want to reaffirm our commitment"

—the Labour party's commitment—

> "to fixed-term Parliaments. That means we have to lay down in statute that it is for the House, not the Prime Minister, to dissolve Parliament."—[*Official Report*, 24 November 2010; Vol. 519, c. 328.]

I agree, but under these sunset provisions at the end of this Parliament we would give back to the Prime Minister the power to dissolve Parliament by seeking a Dissolution from Her Majesty the Queen. I do not think that that is in accordance with what the hon. Gentleman said then.

There are a number of other useful quotes. The Labour party manifesto of last year stated that

> "we will legislate for Fixed Term Parliaments...We will let the people decide how to reform our institutions and our politics: changing the voting system and electing a second chamber to replace the House of Lords."

I do not agree with the first, but I do agree with the second.

> "But we will go further, introducing fixed-term parliaments".

Furthermore, the right hon. Member for Kirkcaldy and Cowdenbeath said that a vote for Labour was a vote for fixed-term Parliaments.

I accept that Labour did not win the election, but it seems to me that if the hon. Member for Rhondda is going to carry out the spirit of that commitment, all the people who voted Labour at the last election will expect him to vote in favour of fixed-term Parliaments. If he does not agree to disagree with their lordships, he will not be carrying out that manifesto commitment.

Graham Stringer (Blackley and Broughton) (Lab): I have not read the Conservative party manifesto recently, but so far as I remember it did not contain a commitment to fixed-term Parliaments. Therefore, if the hon. Gentleman were to take his own advice, he would withdraw his support for the Bill.

Mr Harper: The hon. Gentleman sets me up very nicely for my final quotation. In this Bill's Second Reading debate—which took place a long time ago, on 13 September 2010, which goes to show that the Bill has enjoyed leisurely progress through both Houses with proper scrutiny in both Chambers—the right hon. Member for Blackburn (Mr Straw) said:

> "I have long been in favour of fixed terms. I could dig out correspondence I had with Margaret Thatcher in 1983 about fixed terms. The Labour party committed itself to fixed terms in the 1992 election. What typically happens—this is why I welcome the measure and why I wanted that commitment in our manifesto—is that parties in opposition that are in favour of fixed terms go off the boil on them when they come into government."—[*Official Report*, 13 September 2010; Vol. 515, c. 645.]

Interestingly, we have done the opposite. We were not very keen on them in opposition, but we have become keener on them in government, and this was in our coalition agreement.

Mr Shepherd *rose—*

Mr Charles Walker *rose—*

Mr Harper: My comments seem to have provoked interest. I shall give way first to my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd).

Mr Shepherd: I am startled by my hon. Friend's line of argument. I did toil through our election manifesto, and I saw no pledge or undertaking at all to have a fixed-term Parliament, and least of all a fixed-term Parliament for five years, so what is his line of argument?

Mr Harper: My hon. Friend rightly says that we did not have a commitment to do this, but equally we had not promised not to do it. The case was made to us that there was a good case for fixed-term Parliaments, provision was made for them in the coalition agreement and we brought the measure before the House. When good arguments are made, wise Governments listen to them and introduce these very sensible measures. They do not contradict anything that we had in our manifesto. It is usual for Governments to introduce proposals that were not in their manifesto when sensible arguments are made for them. That is a perfectly sensible proposition.

3.45 pm

Mr Cash: I have no doubt that my hon. Friend will say that the sensible basis on which this amazing commitment has suddenly emerged is that the Liberal Democrats were in favour of fixed-term Parliaments. So here we go again with the tail wagging the dog.

Mr Harper: I would not characterise the relationship like that at all. A good case was made, and on this particular issue the Prime Minister has demonstrated tremendous leadership. He is the first Prime Minister to give up the power—a power that was his personally—to seek a Dissolution from Her Majesty the Queen. That improves our arrangements, because we now know the date of the election and so for the last year of this Parliament we will not have the "will he, won't he" proposition, where everyone is trying to second-guess when the election will be and people are arguing about when the best time is for the party or parties in government. That is an incredibly powerful step forward and it is very welcome.

Mr Charles Walker *rose—*

Mr Harper: I promised earlier to give way to my hon. Friend.

Mr Walker: The current system has served us pretty well for 350 years. The Minister cites other Parliaments around the world that have been established for perhaps 20 or 30 years at best. Perhaps they would be best advised to follow our example, as opposed to our following their example.

Mr Harper: As I said at the beginning of my remarks, I do not believe that the general public support the exercise that we go through in the run-up to the end of a Parliament, where we enter the "will he, won't he" argument. We all know—this came out clearly in the debate in the other place from some who had been close to these decisions—that the decision that is taken, perfectly honourably, is about how best the Prime Minister can choose the date to maximise the chance of their party being re-elected. I simply do not think that that is a good basis on which the decision should be made, and I think that our approach is an improvement.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I support the Minister's point. Even if it is Parliaments around the world that are only 20 or 30 years old that have adopted fixed-term Parliaments, it is interesting that they did not adopt the system that we have here, despite its longevity. They probably saw the errors in our system and were not going to start from here when deciding how to run their parliamentary terms.

Mr Harper: The hon. Gentleman is right. As I said, when this House decided to legislate to set up the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, it did not think that it was right to have variable terms; it decided that it was sensible to have fixed terms. If this House thought that that was good enough for them, it should be good enough for us.

Let me finish by reading out the following quote from the right hon. Member for Blackburn. *[Interruption.]* The hon. Member for Stoke-on-Trent Central rightly says that I have already read out the quote, but I wanted to set out the conclusion that the Labour party should draw from it. The right hon. Gentleman said that

"parties in opposition that are in favour of fixed terms go off the boil on them when they come into government." —[*Official Report*, 13 September 2010; Vol. 515, c. 645.]

The Labour party is in danger of doing the opposite. It is in danger of being committed to this proposition when it was in government and then going off the boil on it when in opposition. The party should reconsider. In the time before the House is asked to make a decision on this, I hope that the Labour party will decide that we should disagree with their lordships on this group of amendments.

Chris Bryant: I am afraid that the Minister did not impress me with his arguments. In particular, he referred to the fact that the Conservative manifesto did not contain anything about introducing fixed-term Parliaments and then said that when good arguments come along people should bow to them. As far as I can see, the only good argument that came along was that the Liberal Democrats would not support the Government unless there was a fixed-term Parliament element in the coalition agreement. So the only reason why we have this Bill, particularly in its current form, is because of the attempt to create the coalition and then to keep it going for five years.

The Minister then tried to tease me a little with the idea that the former Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), said that he wanted people who voted for Labour to be voting for fixed-term Parliaments. This amendment would allow us to vote in every Parliament for fixed-term Parliaments, so it gives more opportunities for people to vote for them, rather than fewer.

Mr Cash: Does the shadow Minister agree that the Bill has all the elements of an attempt to achieve a sort of permanent coalition arrangement? In fact, if one were to look at the current state of affairs, one might feel some sympathy for those on our side of the House who have found as a result of the mistakes that have been made by them and by others that they are now low in the polls and that the 56 seats that they won at the last general election might by all accounts be fewer than 20 if those opinion polls were to be believed.

Chris Bryant: I think I agree with that, but I am not entirely sure. The bit I agreed with was in feeling sympathy for those on the Government side of the House.

The three amendments we are discussing come as a package. In essence, they are all there to do the same thing: to say that the present arrangements will remain, so that the coalition gets to hold itself together until 2015, but that after the next general election and at any subsequent creation of a new Parliament, unless other legislation is brought in, there would have to be a vote in both Houses for that system to remain in place. I shall come to the issue of both Houses in a moment.

Mr Harper *rose—*

Chris Bryant: I was going to come to that matter in a few moments, but if the Minister wants me to come to it now I will of course give way.

Mr Harper: I wanted to question something the hon. Gentleman said. He says that at the start of each Parliament there would have to be such a motion, but that is not what the amendments say. They leave it completely open for that to happen at any point during the Parliament, and I think that would be deeply unsatisfactory.

Chris Bryant: The Minister is absolutely right. That was a small slip of mine and the vote could happen at any time. Any Government worth their salt would without a doubt table such a motion at the beginning of the Parliament so that there was clarity.

We should also know that Lords amendment 1 was not tabled by the Labour party. It was tabled by Lord Pannick with the support of Lady Boothroyd, Lord Butler and Lord Armstrong. Their arguments carried quite a lot of weight with the House—clearly, they carried enough weight to win the vote. Lord Pannick said when moving the amendment:

"The purpose of the amendments is to address the deep unease on all sides of the House, as expressed at Second Reading and in Committee, as to whether it is appropriate to confine the circumstances in which a general election may be called within a five-year term."—[*Official Report, House of Lords,* 10 May 2011; Vol. 727, c. 822.]

There has been that level of discomfort and unease in this House, too, although it was more marked down the other end. Lord Pannick also referred to the "constitutional damage" that all this might create and called the whole Bill an "unhappy Bill". I have some sympathy with him.

It is true that I have previously commented—and I stand by those comments—that the Labour party is committed to fixed-term Parliaments. However, we think the right way to introduce legislation on something as constitutionally significant as changing the way in which a general election is called is to engage in consultation with all the parties in this House before tabling a Bill and to introduce pre-legislative scrutiny of that Bill. If the Minister had chosen to go down that route, he would have had a great deal of co-operation from Opposition Members and we would have ended up with a better piece of legislation. One issue that we might have been able to address in such circumstances is whether it is right to make the change through legislation or Standing Order, which might well have saved us from the danger of the question of calling a general election at any time being justiciable in the courts. Lord Pannick also made that point. He said that, as there had been no pre-legislative scrutiny, it was important that after a future general election there was an opportunity for each House to consider the matter again.

Naomi Long (Belfast East) (Alliance): One definition of "fix" is:

"To place securely; make stable or firm".

Surely the Lords amendment does the reverse on two counts, in that it neither makes it the fixed position that there will be fixed-term Parliament nor sets in stone the time at which that decision would be taken by future Parliaments. What it creates is the opposite of "fixed"; it creates an insecure situation.

Chris Bryant: My contention and, I think, Lord Pannick's contention is that this is a fix in a different way, because it is essentially rigging the constitution so as to make it possible for the coalition to remain in government until 2015—against the manifesto commitment.

Mark Durkan *rose—*

Naomi Long *rose—*

Chris Bryant: Let me finish my point. Lord Pannick also cited the Constitution Committee in the House of Lords, which said:

"the origins and content of this Bill owe more to short-term considerations than to a mature assessment of enduring constitutional principles or sustained public demand."

I think their lordships were right. I will now give way to my hon. Friend the Member for Foyle (Mark Durkan) and then to the hon. Member for Belfast East (Naomi Long), who is slightly my hon. Friend.

Mark Durkan: I thank my hon. Friend for giving way. Earlier, he indicated to the Minister that he assumed that the resolution provided for under the amendment would be moved at the start of a Parliament on the basis that any Government worth their salt would do it then. Can he tell us what he believes any Opposition worth their salt would do in relation to such a resolution? Would not the scenario that he is arguing for, of a Government doing that at the start of a Parliament, mean that the very unedifying spectacle that we have seen in this Parliament of a Government fixing the term to suit themselves would happen in every Parliament?

Chris Bryant: I suppose it is true that every Opposition will always want to take an opportunity to have an early general election. The nature of opposition means wanting to become the Government, so the Opposition would want the chance to have a general election. I think that is the drift of what my hon. Friend said. As I have said, I think we would have a better piece of legislation if we had had pre-legislative scrutiny and had been able to sit around a table, not just with the main parties but with the smaller, minority parties too.

Naomi Long: On the issue of fixing, would it not appear to be more of a fix if the Bill affected only one Parliament in which we happen to have a coalition and then fell into abeyance and had to be resurrected for future Parliaments than if the system were changed to introduce fixed-term Parliaments on a permanent basis, thereby requiring future Governments to rescind that decision if they wanted to change it?

Chris Bryant: No, I do not accept that, because the experience over the rather sad course of this Bill has been that there has been no consultation with the Opposition about a major constitutional change. The hon. Member for Broxbourne (Mr Walker) said earlier that the system has lasted for 300 years, but I do not think it has been a good system or that it has been perfect for the British constitution, because it has on occasion allowed too much power for a Prime Minister to call a general election at his or her—well, very rarely at her—convenience. In that regard, it is better that we should proceed in a different direction. For us the key issue is whether a term should be four or five years.

Mr Charles Walker: No system is perfect, but we have had a fairly dynamic democracy over the past 350 years and by fixing parliamentary terms we will lose some of that dynamism.

Chris Bryant: I have sympathy with that argument, but I also think that this is one of the changes towards a fixed-term Parliament that would assist in that and would be another part of the steady progress of parliamentary evolution to which he referred.

Mr Cash: Does the hon. Gentleman agree that there are really interesting historical analogies? I am thinking of the vote of 311 to 310 that led to Lady Thatcher's becoming Prime Minister and of the debate after Munich on 10 May 1940. If we had had fixed-term Parliaments at those times, the whole thing would have been completely undermined despite the fact that the country was in uproar and wanted change. That would have been the case with a fixed-term Parliament of the kind that he wants as well as with one of five years.

Chris Bryant: No, I disagree, but we will come to that issue when we debate the second set of amendments about the measures concerning early general election. We have some disagreements with the Government, as the hon. Gentleman knows, but that is a matter for us to debate later.

4 pm

One of the other problems that I have with the way the Bill is drafted and why we support the amendments that have come from their lordships is that I do not think anybody ever sat down and thought, "We have elections to the Northern Ireland Assembly, the Scottish Parliament and the Welsh Assembly. Do we want to align them with the elections here, or do we want to make sure that they fall on a different date?" That would have been going to constitutional first principles. What we have ended up with is adjusting the election dates for all those other assemblies. We have allowed them, in effect, to decide when their next elections will be, extending to five years, yet it may be that we have an early general election, so they will not need to go to five-year terms. We are tinkering on the back of a fag packet and that is not a good way of proceeding in relation to the constitution.

Mr MacNeil: Will the hon. Gentleman give way?

Chris Bryant: If the hon. Gentleman does not mind, I will not, as I am keen to conclude my remarks.

The Minister asked whether both Houses should decide. That goes to the heart of the matter. Yes, we believe that both Houses should decide, but if the Minister had wanted to change that, he could have tabled an amendment in lieu of the Lords amendment, which could have said that just as in the provisions on an early general election, there would be a vote in one House—this House. There could have been a vote in this House on whether it was a fixed-term Parliament. The Government's response tries to bind a future Parliament in an inappropriate way. I think that is a mistake, so we will support the Lords amendment.

Mr Syms: It is this House that determines who the Government are. This is the majority House. As we know, the upper House is a hereditary or semi-hereditary Chamber. Even under the proposals for election, it will not be the majority House. It is therefore proper and responsible that this Chamber should determine whether there should be a fixed-term Parliament. That is not the business of the upper House. The decision has to be made in this House.

The only question to debate is whether it is the Prime Minister who makes the decision or the House. Historically, it has been the Prime Minister. We have had a constitutional change. I am a conservative with a small c and I do not generally like change, but one has to acknowledge the fact that in order to command a majority in the House, the measure is part of the deal. That is a good reason for doing it. If that was not part of the deal, one would not necessarily be in government and doing many other good things for the country under our programme.

We all know that Prime Ministers lose the confidence of the House. There are occasions when Prime Ministers are challenged, and one of the things that bolsters unpopular Prime Ministers is the threat of Dissolution. It is up to them. They can throw the cards up in the air and call a Dissolution, even if they lose the confidence of their own party. That has always been one reason why Prime Ministers have stayed in Downing street when there was good reason for moving them out and having a vote of no confidence in a political party.

The other factor, which is one of the different features of modern politics, is that there are now more parties in the House—we have the Greens in this Parliament—more of a fracture in the current political system and more regional parties. It will probably be more difficult in the longer term for a party always to be confident of a majority in the House. My hon. Friend the Member for Stone (Mr Cash) is right. Coalitions may be more a part of the future than some of us who prefer majority government would like to think.

The Government's position is tailored to that situation, so I will support what they are doing today. Circumstances have changed, and if one has to make a decision, it is better that political parties and the usual channels in the House determine a Dissolution than an unpopular Prime Minister who may have a different agenda from others in the Chamber.

Mark Durkan: I am delighted to be able to agree with the thrust of the remarks of the hon. Member for Poole (Mr Syms) in relation to the key effect of the Lords amendments, which would extend the power of the House of Lords as it now stands and in whatever future shape it takes, by making sure that the upper House was

in a position of dual control with this House on whether there was a fixed-term Parliament. We know from sentiments already expressed in that House—echoed many times in this House—that there is opposition to serious proposals on Lords reform, and in those circumstances I would certainly not indulge any extension of their powers or ability to trespass on the primacy of this House, which is exactly what the amendments would do.

A number of weeks ago the hon. Member for Rhondda (Chris Bryant) rightly lampooned the democratic credentials of the other Chamber, and yet now he wants to extend its control over the democratic proprieties of this Chamber and over whether there is certainty on when there will be a general election. I fully agree with him that those of us who believe in fixed-term Parliaments face a predicament with the Bill, because many of us believe that four years is the natural term for a Parliament. It was the natural term that this Parliament chose for the devolved Assemblies and Parliaments, and it was right that they were comfortable with it, but because Parliament is opting for five years, those assemblies will also have to shift to five years, which I do not believe is the natural rhythm for fixed terms.

Nevertheless, it would be a bit much for someone like me to use the fact that I believe in four-year terms, in addition to believing in fixed-term Parliaments, to vote for rupturing the nature of the Bill. As someone who is proudly in the Irish Labour tradition, I have great regard for Jim Larkin, who once said that the purpose of politics was to keep narrowing the gap between what is and what ought to be. I believe in fixed-term Parliaments. Unfortunately, the only choice we now have is five-year terms. In future, I hope that other parties will be elected with a mandate to alter that fixed term to four years and that future Parliaments will do that, but I believe that we will reach that stage quicker by voting for fixed-term Parliaments now and amending the length of the term in future. If instead we get to the meaningless point of having a Bill that is a fixed-term Parliaments Bill only in name, rather like the two-hour dry cleaners that tells customers to come back next Tuesday because "two-hour dry cleaners" is just the name of the shop, that Bill will not fulfil its purpose in any real way.

In relation to the amendments, there is a curious idea that both Chambers would decide on whether there would be a fixed term, but there is uncertainty on when those resolutions would be laid and who would lay them. The references to the Prime Minister in some of the amendments relate only to moving the date of an election back by up to two months, and I think that some people have misread that and think that it means that the resolution would have to come from the Prime Minister, but it would not. It seems that we would be left with a curious situation in which anyone could seek at any time to move such a resolution in either Chamber and create various difficulties that would simply add to the political mess and to the uncertainty on whether we have fixed terms.

I also agree with the hon. Member for Rhondda in his criticism of the Bill's provenance and the fact that it came about not to fix the term of Parliament, but to fix this Government. It was intended to create a fixed-term Government and a fix for this Parliament. For that reason it is wrong and it is bad. However, the amendments would have the effect of prescribing legislation that would have every Parliament begin with a Government using their majority to fix the term in a way that suited them. He said that any Government worth their salt would do that early on in the term, and presuming that an Opposition worth their salt would oppose it, we are left asking what the point would be and what such legislation would achieve, other than an unedifying procedure each time a recently elected Government appear to fix the terms on which they will govern which the Opposition resist. The whole idea of a fixed-term Parliament Bill is to ensure that there is no political speculation or contention on those issues. Looking at the nature of some of the other clauses and amendments, I do not believe that the Prime Minister is ceding as much power as some hon. Members have said.

This is an unusual and uncomfortable experience for me, but I concur with the Government on these Lords amendments. Unfortunately, on this occasion I have to disagree with my hon. Friend the Member for Rhondda while fully agreeing with his basic, continuing underlying criticism of some of the background to the Bill.

Mr Shepherd: I agree with a lot of the points made by the hon. Member for Foyle (Mark Durkan). I am conscious that this a Bill to fix a Parliament: that is the purpose behind it, plain and simple. The difficulty that the House of Lords faced and that we face in this House—it is the reason I voted against the Bill on Second Reading and otherwise—is the incoherence of the constitutional change that these amendments, to some extent, address.

We are embarked on almost reckless constitutional change with no overall coherent view of what we want. I know what I want, and I rather suspect that the hon. Member for Foyle knows what he wants—a democratically elected, accountable House of Lords. That raises all sorts of subsidiary questions as to which has primacy and which does not. We have here a fix, without any view as to what the constitution is going to be, that has involved nothing other than the coalition partners bringing forward a Bill that contains certain propositions that do not relate. I appreciate that we have had all the debates about four years as opposed to five years and the rhythm of the process. We have had the AV referendum, which was again unrelated to how the constitution was going to look.

That is why the Lords tabled these amendments. In a sense, they are not serious amendments—serious in the sense of how they prick this process and bring in a wider consideration of what the constitution should be, to whom is it accountable, and how we make these changes. Essentially, this fixed-term Parliament proposal is "back of the envelope". Do we really want a five-year fixed term when we might have had only four years? I think that that was the position of the Labour party in its manifesto, and the position of the Liberal Democrats. The joyous thing about it is that we did not have a view, other than against, in our election manifesto.

Mr Harper: I want to pick my hon. Friend up on his point that this has been done on the back of a fag packet.

Mr Shepherd: I did not say that—I said an envelope.

Mr Harper: Yes, forgive me—it was the hon. Member for Rhondda (Chris Bryant) who said it was a fag packet. This Bill was introduced in July last year. It was

[Mr Harper]

fully debated in this House and in the other place, and it is now almost a year later. One cannot in any sense agree with my hon. Friend's proposition that the parliamentary debate on and scrutiny of this Bill has not been thorough and well thought through.

Mr Shepherd: I am sorry, but my point was not as the Minister so kindly describes it. My point was that we are talking about a constitution. The problem for everyone, not only in this Chamber but out there too—the people—is what are the forms and proper norms by which we should conduct our business, electorally or otherwise.

Now these piecemeal bits are coming forward whereby the Lords make the absurd proposition that it should have a role, as an unelected House, in determining when an election should be. That is clearly absurd, and to that extent I am sympathetic to the Government. However, I am very opposed to a five-year Parliament. There has been no testing on that. A parliamentary majority in this House will now determine that we have a new form of constitution that the hon. Member for Foyle is apparently happy about on the basis that it is only temporary and we might have a different, and therefore proper and better, version at a later stage. We have to deal with where we are here and now. We want a proper constitution, I would argue. I think that that is the position of the Labour party. I know that a good many Government Members also want a constitution that stands the test of time. No one from outside has really been invited into the supposed consultation.

The Deputy Prime Minister has not even come to argue for his position. That truly trivialises the whole process. I have gone on about that before. However much I am thrilled with the presence of the Minister, it is absurd that those who make these propositions cannot come here and argue for them.

4.15 pm

Madam Deputy Speaker (Dawn Primarolo): Order. I know that the hon. Gentleman feels strongly about this matter, but he is drifting from the point of the Lords amendments. I know that he is setting the context, but that context is getting a little too wide. I would like him to narrow his speech back to the amendments.

Mr Shepherd: I am trying to use the amendments to explain and understand what the Lords are doing. I appreciate that I may be going too wide, and I am sorry if that is so, but that is the purpose behind what I am doing. It is in that context that I am going to vote for the Lords amendments. They are absurd; there is no question about that in my mind. It is absolutely absurd that the Lords, who are not democratically elected, should be setting out such amendments. The very writing of the amendments is extraordinary for a place that we are told is full of very intellectual and clever complacents. It is extraordinary that they should even be looking into this. However, I did not open this discussion; the coalition opened it, and it did not do so in a rational or reasonable way. I am trying to find an argument to support the amendment so that I can vote against what is an improper process. It is as simple as that, Madam Deputy Speaker.

I want those on the Government Front Bench to understand my point. They are careering on. They held an AV referendum, but apropos of what—whether one was for it or agin it? I know, Madam Deputy Speaker, that AV is not on the amendment paper.

Madam Deputy Speaker: Order. The hon. Gentleman knows that he is out of order. He is making points directly to his party. I would appreciate it if he kept to the amendments before us and did not range far and wide. There are other Members still to speak and other amendments still to cover. I know that he knows he is out of order because he keeps telling me that he is. I have been very generous to him, but it stops now. Please come back to the amendments.

Mr Shepherd: I am obliged for the courteous and pleasant way in which that was said. Mirror, mirror on the wall, I know that I am—*[Laughter.]*

Mr George Howarth (Knowsley) (Lab): I apologise for missing the beginning of the hon. Gentleman's speech. I wonder whether I may risk leading him astray. How does he think a fixed five-year term for this House stands alongside the proposals for a 15-year term for some peers in the other place?

Madam Deputy Speaker: Order. The hon. Member for Aldridge-Brownhills (Mr Shepherd) and I can both guess whether he should go down that line. I think the answer is that he should not. Can he please come back to the amendments?

Mr Shepherd: Of course, Madam Deputy Speaker. There was no way that I was going to rise to that fly. We will get back to the substance of the matter.

These are ridiculous proposals from the House of Lords—on that I agree. To that extent I am with the body of the House, which, I hope, feels that this is almost an impertinence. That impertinence is qualified, of course, by the fact that the Lords are the second Chamber, and that as it stands—other than in matters of money, as I understand it—they have all the rights of a second Chamber to make or change legislation. They are wrong to table the amendment, but they are right in the spirit of it. I hope that it is in order to suggest such a thing. My proposition is that they are right in the spirit of it because it is the only way in which they can attack this matter.

I hope that this cheerful Chamber will look askance at the Minister and his colleague, the Deputy Leader of the House, who are sitting on the Front Bench and trying to seduce us into thinking that there is some immaculate constitutional conception behind the Bill. There is not. It is the raw politics of "We want to be there for five years, in the hope that something turns up at the end of the fifth year". That is what it is about, and we know it. I urge the House to vote for the Lords amendment, and damn them.

Mr Charles Walker: Fixed-term Parliaments: constitutional vandalism.

Mr Cash: This was not in our manifesto. The people who voted for us certainly did not vote for fixed-term Parliaments.

In 1940, as I have said, the Government won the vote in May, but the public would not countenance that Government remaining in power for another day. That was what got rid of Neville Chamberlain, and Leo Amery said:

"In the name of God, go."—[*Official Report*, 7 May 1940; Vol. 360, c. 1150.]

Mr Shepherd: Quoting Cromwell.

Mr Cash: There was a similar example in the Cromwellian period. There are great events taking place in the world today, and the whole question of the sustainability of government ultimately depends on the continuing will of the people as a whole. The idea of fixed-term Parliaments is intrinsically wrong, because it defies the gravity of the views of the public at large. If the public were to turn against fixed-term Parliaments, under the Bill they could not succeed because fixed-term Parliaments would have been entrenched by statute, which would be upheld by the judiciary. That is fundamentally an attack on our sovereignty and the sovereignty of the people of this country. That is why I object so strongly to the whole idea of fixed-term Parliaments, whether of five years or four. It is unconstitutional, wrong and prevents the people from being able to demand a general election irrespective of the views of a Prime Minister or a coalition that is cobbled together despite the views expressed in the respective manifestos.

Question put, That this House disagrees with Lords amendment 1.

The House divided: Ayes 312, Noes 243.

Division No. 326] **[4.23 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Lucas, Caroline
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen

Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Ritchie, Ms Margaret
Robathan, rh Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wishart, Pete
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Jeremy Wright

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Love, Mr Andrew
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George

Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Rees-Mogg, Jacob
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walker, Mr Charles
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Wicks, rh Malcolm
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and
Mr David Hamilton

Question accordingly agreed to.

Lords amendment 1 disagreed to.

Lords amendment 2 disagreed to.

Lords amendment 3 agreed to.

Mr Harper: I beg to move, That this House agrees with Lords amendment 4.

Madam Deputy Speaker (Dawn Primarolo): With this we may take Lords amendments 5 to 8.

Mr Harper: These amendments were moved in the other place and I want the House to agree to them, but I shall take a little time to explain why. One of them is particularly significant, because it replaces clause 2 with a completely new clause 2. Hon. Members will remember from our earlier debates that clause 2 is particularly significant because it contains all the provisions for early elections, in the context either of two thirds of the House choosing to hold one or of a vote of no confidence. It is therefore worth explaining to the House what we are proposing.

Lords amendment 4 deals with the powers in the Bill for the Prime Minister to alter the date of an election in an emergency—*[Interruption.]*

Madam Deputy Speaker: Order. I am sorry to interrupt the Minister, but I am finding it rather difficult to hear him, because there are a lot of private conversations going on. I ask Members to listen to the Minister. The sooner we deal with this business, the sooner we can move on to the next.

Mr Harper: I am grateful to you, Madam Deputy Speaker.

Lords amendment 4 leaves out the "earlier or" provision. When we considered the Bill originally, it contained provisions for the Prime Minister to vary the date of an election, by moving it either forward or back by two months. In our debates in the Commons, many Members identified instances in which moving the date back would make sense, such as the outbreak of foot and mouth in 2001, but no one could think of any good reasons for moving an election to an earlier date. Similar points were made in the other place and amendments were tabled to remove the provision to move an election to an earlier date. We think that that is sensible. If there were a general consensus that we needed to hold an election at an earlier date, we could of course use the provisions in clause 2 and the House could vote to enable that to happen. The power to move an election forward therefore seems unnecessary, and Lords amendment 4 deals with that.

Lords amendment 5 also deals with clause 1(5) of the Bill. The Lords Delegated Powers and Regulatory Reform Committee recommended that, when seeking to vary the date of an election under the power in clause 1(5), a Prime Minister should lay a statement before both Houses setting out the reasons for proposing the variance of the date. The Government accept that that recommendation would enhance the transparency of the exercise of that power, and the amendment would implement the Committee's recommendation.

Lords amendment 6 is the most significant in the group. It was supported by the Government in the other place, and it was tabled following consultation with two former Speakers of this House: the noble Baroness Boothroyd and the noble Lord Martin of Springburn. It also had support from Labour Back Benchers and from Cross Benchers. It is significant because it substitutes an alternative version of clause 2, setting out the exact forms of motions of confidence and no confidence for the purposes of the Bill. The amendment retains the original architecture of the clause, and the two triggers for an early general election—namely, that the House may vote for an early Dissolution with the support of two thirds of all Members, and that a vote of no confidence may ultimately trigger and early general election.

We had much debate of an important topic at an earlier stage of the Bill and earlier today when my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) suggested that what we were doing was changing the constitution. It is worth reminding the House that following a vote of no confidence in a Government, there is currently a dual convention—that the Prime Minister either resigns or calls a general election. That dual convention was set out in a recent book of Professor Vernon Bogdanor, who Members who have attended these debates will remember was my tutor. On many occasions, Professor Bogdanor has been quoted against me; he and I have not always agreed. In this particular case, I am pleased to be able to quote him in support of my arguments.

4.45 pm

In his book, Professor Bogdanor sets out the view that the no-confidence votes of January and October 1924 are examples of the dual convention, which is supported by the revised clause 2. He says:

"In the past, a no confidence vote would lead to a dissolution only if there was no viable alternative government within Parliament. Otherwise, the Prime Minister would resign, and the alternative government would take office."

As we know, the vote of no confidence in the Baldwin Government of January 1924 led to the formation of the MacDonald Government without a fresh election taking place. In his book, Professor Bogdanor also cites what happened when the October 1924 no-confidence motion took place, stating:

"George V, before granting what would be the third dissolution in two years, inquired, through his Private Secretary, of the two opposition leaders, Baldwin and Asquith, whether they were prepared to form an alternative government. Only after receiving a negative answer and only when it was clear that no alternative government was available did George V agree to a dissolution".

Those events show the importance of allowing time to seek alternatives before resolving to call an election. That was the point that my hon. Friends the Members for Stone (Mr Cash) and for Aldridge-Brownhills were making in the debate on the earlier group of amendments. It explains why there was a 14-day period in the original clause 2 and why it is important that the same 14-day period remains in the newer clause 2.

Mr Cash: This 14-day period is simply a ruse, cobbled together by moving various Ministers around, in order simply to keep the existing Government in power. If a Government have a confidence motion and lose it by a majority of one, that is it—as happened with Lady Thatcher when a motion was passed by 311 to 310. That was the end of it; then a general election, leading to another Government, took place. That is how the system should function—the rest of it just cobbled together, as I say, for the sake of keeping a coalition moving under all circumstances. I am sure that the Prime Minister's tutor, Vernon Bogdanor—also the Minister's tutor—could have explained all that to him.

Madam Deputy Speaker (Dawn Primarolo): I think we get the point.

Mr Harper: My hon. Friend is simply not right. We have had this debate before. It is important because it relates to the revised clause 2, brought about by one of the Lords amendments, which refers to a 14-day period. I know that the hon. Member for Rhondda (Chris Bryant) supported it strongly when we debated it in Committee and on Report. Indeed, the Opposition supported our proposition when we voted against an amendment that I believe my hon. Friends had tabled.

Two alternatives can take place. I know this 1924 example goes back a bit, but it is one of the scenarios that can happen. Of course, that did not happen in 1979, but that was because we were at the tail-end of a Parliament, so the general election took place. If a vote of confidence were lost early in a Parliament, the situation I described could occur.

Another important issue came up here and in the other place when the rationale for clause 2 was debated. The 14-day period is not mandatory; it is the maximum period that can apply. If the Government had lost a vote of confidence and there were a general consensus that the country should move immediately to a general election, there would be nothing to stop the Government putting down a motion for an early Dissolution. A vote on it could happen and the general election could be triggered immediately. I am not sure that that argument came out strongly in the other place; that is why it is worth putting it on the record.

We listened carefully to the concerns expressed in the other place about clause 2. We also conducted meetings with the two former Speakers, as I mentioned. We listened and made the amendment. Opposition Members will be pleased that the amendment has been made. The hon. Member for Rhondda said that as we were abolishing the Prime Minister's right to dissolve Parliament, and placing that right in the hands of Parliament, it would be better to state in the Bill, in clear language, what constitutes a motion of no confidence, so that there can be no doubt.

Jacob Rees-Mogg (North East Somerset) (Con): Will the Minister explain a couple of things? First, is there another example in legislation of a motion being laid down for Parliament to follow, or is it an innovation? Secondly, who will determine whether the motion has been passed in the correct form? Will it be a matter for the courts?

Mr Harper: Let me develop my argument, and I will cover the points raised by my hon. Friend. The concern in the other place about the original drafting of clause 2 was raised particularly by the two former Speakers, who felt that not having specific motions laid down, and requiring the Speaker to certify that votes of no confidence had been lost, would draw the Speaker into controversy. This House and the other place were happy that there was no issue about privilege and the courts trespassing into decisions of the House, but it was felt that there was a risk of the Speaker being drawn into controversy. The Government accepted the other place's view that the language of the motion should be set out clearly.

Mr Tom Watson (West Bromwich East) (Lab): On a point of order, Madam Deputy Speaker. I apologise to the Minister and to you, but given the seriousness of the matter I wish to raise I must do so urgently. *The Guardian* newspaper has just issued a statement saying:

"The prime minister's account of why he failed to act on the information we passed his office in February 2010 is highly misleading."

Have you had notice of an urgent response from the Prime Minister so that he can put the matter right at the Dispatch Box?

Madam Deputy Speaker: Comments that are made outside the House are not the responsibility of the Chair. If the hon. Gentleman is suggesting that there is a question of privilege, I would advise him that he must write to the Speaker. It is not a matter for me now.

Mr Harper: I am grateful, Madam Deputy Speaker.

The new version of clause 2 set out in the amendment spells out the exact wording of motions of no confidence, motions of confidence, and motions for an early Dissolution. Whether the conditions have been met would therefore be plain for everyone to see, and it would be clear from

the *Votes and Proceedings* and the *Journal*, and the Speaker would not need to be drawn into certifying whether the motions had been passed. That was the reason why the amendment was supported by the former Speakers, the Opposition and the other place. The amendment delivers what we had originally intended—that the power to trigger an early Dissolution should lie with this House—but adds clarity and does not risk drawing the Speaker into controversy.

Amendments 7 and 8 are very important, especially for those Members who represent parts of the United Kingdom with devolved legislatures. When the Bill left this House, I told Members that we were in discussions with the parties in the Scottish Parliament and the Welsh Assembly about how to deal with the coincidence of elections in 2015. I wrote to the Presiding Officers of the Scottish Parliament and the Welsh Assembly on 17 February, and proposed that if they passed a resolution with the support of at least two thirds of their Members, ensuring that there was consensus across the parties, we would agree to legislate to move the dates of the 2015 Scottish Parliament and Welsh Assembly general elections up to one year later. The Scottish Parliament passed a unanimous motion on 3 March confirming that it wished the UK Government to bring forward a provision to defer the 2015 election to 5 May 2016, and a similar motion was passed by the Welsh Assembly on 16 March.

We have said that if the House accepts the amendments, in the longer term we will conduct a detailed assessment—this issue arose during the debate on the earlier group of amendments—of the implications of the two sets of elections coinciding at a later date. Once we have conducted that assessment, if we think that there is a case for changing the cycle of elections, we will carry out a public consultation in Scotland and Wales on whether the devolved legislatures should be subject to permanent five-year terms.

Mr Cash: Does the Minister not agree that, whether we adopted the original proposals in the Bill or the proposals of the former Speakers and others, the matter would be justiciable? The Speaker would indeed be drawn into controversy, but there would also be a risk of the whole question being adjudicated by the courts.

Mr Harper: We debated the issues of privilege, justiciability and whether the courts would seek to intervene in these matters at length in Committee and on Report, and they were also debated in the other place. I think that the general view was that the risk of intervention by the courts was very slight. It did not seem to concern Members of either House, although I accept that my hon. Friend still has concerns about it.

Mr Cash *rose—*

Mr Harper: I will take one more intervention.

Mr Cash: The Clerk of the House, in his careful consideration of the issue, took the view, very strongly, that it would lead to justiciability. That is not just the view of one humble Back Bencher; it is also the view of the Clerk of the House, to whom fulsome tributes were paid yesterday for his wise advice.

Mr Harper: I recognise that. The Government set out our reasons for disagreeing with that view, and I believe that their case was accepted by Members of both Houses. We have already debated the matter at length, and I do not think that there is a feeling that we should resurrect that debate now.

In Northern Ireland, there will be consultation with the Northern Ireland Executive and all the political parties, which will begin when the Northern Ireland Office has received reports from both the chief electoral officer and the Electoral Commission on the May 2011 polls, which involved three combined elections. The chief electoral officer's report has just been received and is being examined by officials, and the report of the Electoral Commission is expected to be received shortly.

Given that the amendments were accepted in the other place and there was a fair degree of consensus, I urge Members to agree with the Lords.

Chris Bryant: I broadly agree with what the Government have said. I would point out, however, that the Government, and the Minister himself, have developed a rather irritating habit of opposing measures at this end of the building and then agreeing with them at the other end. That is bad for the way in which we conduct our business in this House. It applies particularly to the replacement for clause 2, in Lords amendment 6. All the changes in these amendments were contained in amendments that we tabled at this end of the building—

Mr Harper *rose—*

Chris Bryant: I will not give way to the Minister, I am afraid.

The Minister chose to oppose the amendments in this House, and then accept them in the other Chamber.

Mr Harper *rose—*

Chris Bryant: I am not going to give way to the Minister. He has spoken plenty.

This is the second occasion on which the Minister has done that today. This morning he tabled a written ministerial statement that basically consisted of an amendment that he voted against during our debates on the Parliamentary Voting System and Constituencies Bill. I wish he would stop doing it.

All I will say to the Minister about the improved clause 2 is that part of it, the "two-thirds majority" provision, remains foolhardy. Requiring a special majority to secure something constitutes a complete change in the practices of the House. It is also completely unnecessary, because it is almost inconceivable that on any occasion on which the Government tabled a motion for an early general election, the Opposition would not agree with it. There would always be a two-thirds majority. Let me say to Liberal Democrat Members who may think that that would protect them if the Prime Minister opted for an early general election before the planned date for the next general election, that it will do no such thing.

Lords amendment 4 agreed to.

Lords amendments 5 to 8 agreed to.

Lords amendment 9 disagreed to.

[Chris Bryant]

Motion made, and Question put forthwith (Standing Order No. 83H). That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments;

That Mr Mark Harper, Mr Philip Dunne, Chris Bryant, Jonathan Reynolds and Mr Mark Williams be members of the Committee;

That Mr Mark Harper be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—(*Mr Goodwill.*)

Question agreed to.

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

5 pm

Madam Deputy Speaker (Dawn Primarolo): Order. I now have to announce the results of Divisions deferred from a previous day. On the question relating to the Equality Act work on ships, the Ayes were 316 and the Noes were 233, so the Ayes have it. On the question relating to the Equality Act duties on public authorities, the Ayes were 316 and the Noes were 230, so the Ayes have it.

[The Division lists are published at the end of today's debates.]

Opposition Day

[19TH ALLOTTED DAY—HALF DAY]

Rupert Murdoch and News Corporation Bid for BSkyB

5.2 pm

Edward Miliband (Doncaster North) (Lab): I beg to move,

That this House believes that it is in the public interest for Rupert Murdoch and News Corporation to withdraw their bid for BSkyB.

The motion stands in my name and those of right hon. and hon. Members across the House: the former leader of the Liberal Democrats, the right hon. and learned Member for North East Fife (Sir Menzies Campbell), the leader of the Democratic Unionist party, the leader of the Scottish National party, the leader of the Social Democratic and Labour party, the leader of Plaid Cymru and the hon. Member for Brighton, Pavilion (Caroline Lucas). I thank them all for joining me in tabling this motion. I also thank those Conservative Members who have set out their support for the motion in advance of the debate.

It is unusual, to put it mildly, for a motion in this House to succeed before the debate on it begins, but this is no ordinary motion, and this is no ordinary day. Make no mistake: the decision made by News Corporation was not the decision it wanted to make. It may have been announced before this debate, but it would not have happened without it. Above all, this is a victory for people: the good, decent people of Britain, outraged by the betrayal of trust by parts of our newspaper industry, who have spoken out up and down this country, and who have contacted Members across this House and told us of their concerns. The will of Parliament was clear, the will of the public was clear, and now Britain's most powerful media owner has had to bend to that will.

This debate is an opportunity to understand how we got here and where we go from here. I will speak briefly, to allow others to speak in what has been a curtailed debate. The terrible revelations of the last week have shaken us all. They have caused immense pain and heartache to bereaved families, as they learned that their most private moments were stolen from them to sell newspapers. As each day has gone by, I am sure all of us will have felt the same: surely it cannot get any worse than this. But it has: the phone of Milly Dowler, the victims of 7/7, the families of our war dead, and the personal details of our former Prime Minister. And we are told that there is worse to come. These revelations have uncovered a pattern of sustained criminality that is breathtaking, and they have called into question our faith in the police's capacity fully to investigate wrongdoing.

There are many things that we need to do to put these wrongs right. We have done one of them today. This was a time for the House of Commons to give voice to the views and feelings of the British public about the integrity of our media, which should be at the centre of our democracy. The principles at stake go to the heart of the country we believe in. They are about whether we allow power to be exercised without responsibility, about

whether the responsibility we need goes right to the top of our society, and about the truth that no corporate interest should be able to write the law or be above the law.

Mr William Cash (Stone) (Con): Does the right hon. Gentleman agree with the point that I put to the Prime Minister earlier, which is that it would be incongruous to have terms of reference for this particular inquiry—most of the terms of reference having been announced—that exclude the sound and visual medium? We talk of "the media" generally, but most of the argument turns on the question of the word "press" and newspapers. Should the definition not be extended?

Edward Miliband: I am sure that that point will be considered, but what I say to the hon. Gentleman is that the abuses that we have seen are in our newspaper industry, and we want this inquiry to get on and concentrate on where there have been abuses. It will, of course, examine cross-media ownership, and I think it is right for it to do so.

This debate is also about the relationship between private power and the power of people, given voice by this Parliament. We need strong entrepreneurial businesses in this country, but we need them to show responsibility, and in these highly unusual circumstances it was right that Parliament intervened. The case was clear about why the stakes were so high in this bid—I will say something about that—about why the revelations of the recent past comprehensively undermine this bid, and about why the motion was necessary. I will deal with those points briefly.

Charlie Elphicke (Dover) (Con): The right hon. Gentleman talks about the "recent past". As a new Member, I see that this goes back to 2003. We had deeply concerning reports from the Information Commissioner in 2006, so why was action not taken before 2010? Why was this not dealt with?

Edward Miliband: All of us accept our share of responsibility for not having spoken out more on these issues. The question is: what is to be done now? Is this House going to take action? Are we going to work together to deal with these issues?

Let me start by talking about why the stakes in this case were so high. News Corp was bidding for 100% control of BSkyB. This would have represented a major change for our public life in any circumstances, let alone those that we now face. It would have given News Corp unfettered control of one of the two largest broadcasters in Britain, as well as the 40% control of the newspaper market that it already owned. This was not some incidental change, but a major departure. The revelations of recent weeks went to the core of this bid. They suggest that people at News International have concealed and dissembled in an attempt to hide the truth about what had been done, including from this House of Commons.

Mr Chuka Umunna (Streatham) (Lab): Does my right hon. Friend agree that, given the revelations and the differences in the information that has been provided to this House, it is right and proper for Rebekah Brooks, James Murdoch and Rupert Murdoch to answer the call from the Select Committee on Culture, Media and Sport to give evidence to this House next Tuesday?

Edward Miliband: My hon. Friend is absolutely right about this, because those people are key figures in the newspaper industry, and indeed the whole media industry in Britain, and they should not be above the Select Committee. It is absolutely right—I am sure that this view will be shared in all parts of this House—for them to come before the Select Committee.

Christopher Pincher (Tamworth) (Con) *rose—*

Edward Miliband: I am going to make progress, but I will give way to the hon. Gentleman.

Christopher Pincher: Was the right hon. Gentleman saying those things to Rupert Murdoch when he was eating his canapés three weeks ago?

Edward Miliband (Doncaster North) (Lab): Let me say to the hon. Gentleman, who is new to this House, that this is an opportunity for the House of Commons to speak with one voice on these issues. That is what we should do today.

I was about to say that the issues we are discussing are about the integrity of people working at News International. The Chair of this House's Select Committee on Culture, Media and Sport says that he was misled, the head of the Press Complaints Commission says that she was lied to by News International, James Murdoch has admitted serious wrongdoing in the company, and there are now, of course, allegations that News International knew that phone hacking was widespread as long ago as 2007.

Toby Perkins (Chesterfield) (Lab): On the subject of the individuals to whom my right hon. Friend just referred, one thing that shocked many people as much as anything was the fact that on Sunday and Monday, when Rupert Murdoch arrived, he said that his No. 1 priority was Rebekah Brooks—not the Dowlers, not the families of the victims of 7/7, and not the families of dead servicemen. Rebekah Brooks was his No. 1 priority. Does that not show why he has a complete responsibility to come to this House and answer its questions?

Edward Miliband: My hon. Friend is entirely right. Throughout this process Mr Murdoch has seemed to show no recognition of the scale of abuse of the trust of the people of this country, whom he claims daily in his newspapers to represent and whose voice he claims to understand. My hon. Friend is totally right.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): Does my right hon. Friend share my concern about the workers who will be losing their jobs in this whole debacle? While the Rebekahs of this world refuse to move on, those at the bottom end of the pay chain will have no choice about losing their jobs.

Edward Miliband: My hon. Friend is right: the cruel irony of the closing of the *News of the World* is that the one person who we know was responsible, in the sense that she was in charge when Milly Dowler's phone was hacked, was the one person not to lose her job as a result of the decisions that were made.

[Edward Miliband]

Let me make some progress. Even though we do not yet know what charges may be laid and against whom, it is apparent that there are serious questions to be answered about alleged criminal activity perpetrated by people in News International. Sky is a respected broadcaster under diverse ownership, and we did not want Sky taken over by a company under such a cloud.

Let me explain why the motion was necessary; I see that the Secretary of State for Culture, Olympics, Media and Sport is in his place. For months the Government have argued that they could rely on assurances given to them by an organisation about which there was mounting evidence of serious wrongdoing. Last Wednesday the Prime Minister told me there was no alternative to the Culture Secretary's process, and that nothing could be done. Five days later the Culture Secretary changed direction, a decision I welcome, and referred the bid to the Competition Commission. That decision—hon. Members should understand that this is why the motion was necessary—would have ended up back on the Secretary of State's desk before the end of the criminal process. He would then have needed to make a decision about the bid without all the relevant factors having been considered. That is why we tabled this motion.

Pete Wishart (Perth and North Perthshire) (SNP): The right hon. Gentleman is absolutely right to say that the motion was necessary, and he will note that Scottish National party Members were signatories to the motion and support him in his endeavours. He is also right to stress that cross-party unity is important in all this, but will he accept and acknowledge that he perhaps got the tone wrong today at Prime Minister's questions? The public do not want to see this argy-bargy between the two main parties. All parties in the House must work together on this issue.

Edward Miliband: I take on board the hon. Gentleman's advice, but I do not necessarily agree with it on this occasion.

We tabled this motion because the issue would have ended up back on the Secretary of State's desk.

Alun Cairns (Vale of Glamorgan) (Con) *rose—*

Edward Miliband: I am going to make some progress.

Let me talk more generally about the issues we face. We want a free press. We want an independent press. We want the kind of journalism that does that profession proud and makes the rest of us think. The vast majority of journalists are decent people, with a vital role to play in our public life, but the best way to protect them, and to protect the integrity of our press, is to root out the kind of journalism that has left us all sickened. We all have a responsibility to get to the bottom of this scandal and ensure that something like that can never happen again. That is why I welcome the inquiry that has been announced today, and the comprehensive nature of that inquiry.

Sajid Javid (Bromsgrove) (Con) *rose—*

Edward Miliband: I am not going to give way.

We have to address all the issues that we face for the future. On the relationship between the press and politicians, let me be clear. There is nothing wrong with politicians engaging with the media, and Members across all parts of the House will continue to do so. What matters is not whether those relationships exist but whether they stifle either the ability of the press to speak out against political leaders or the ability of political leaders to speak up.

Mr Graham Stuart (Beverley and Holderness) (Con): Will the right hon. Gentleman give way?

Edward Miliband: I am not going to give way. *[Interruption.]* We have very little time for the debate and many hon. Members want to speak. I want to give them proper time to speak.

As I was saying, this is about whether those relationships are conducted in a transparent way. That is why all Members of the House—I hope that this answers hon. Members' questions—should be available to appear before Lord Leveson's inquiry. On cross-media ownership, the inquiry will need to think long and hard about the dangers of the excessive concentration of power in too few hands. Most importantly, we must protect people from the culture that allowed all those events to happen.

Lastly, there is a difficult issue for the House: the painful truth is that all of us have, for far too long, been in thrall to some sections of the media, including News International. For too long, when these things happened we just shrugged our shoulders and said, "That's the way it is,"—but no longer. The events of the past seven days have opened all our eyes and given us the chance to say, "It doesn't have to be like this."

I want, before I finish, to pay tribute to the people who made this possible, and to Back Benchers across the House for their courage in speaking out. I pay tribute particularly to my hon. Friends the Members for Rhondda (Chris Bryant) and for West Bromwich East (Mr Watson) for their tireless and brave work on these issues. I pay tribute to Members on the Government side, such as the hon. Members for Richmond Park (Zac Goldsmith) and for Mid Sussex (Nicholas Soames), who spoke out about BSkyB in last week's emergency debate, and to the Select Committees and their Chairs on both sides of the House. I also want to pay tribute to you, Mr Speaker, for the seriousness with which you have taken Parliament's role on this issue.

This is a victory for Parliament. This House has been criticised in recent years for being timid, irrelevant and out of touch. Today Parliament has shown an ability to speak out without fear or favour, to speak to our great traditions, and to show that we can hold power to account and that nobody is above the law. To paraphrase the late Lord Denning, be ye ever so high, the people are above you. This House—all Members and all parties—have given voice to the people and have said to Rupert Murdoch, "Abandon your bid." The country wanted this: it wanted its voice to be heard, and today it has been heard.

5.18 pm

The Leader of the House of Commons (Sir George Young) May I begin—[HON. MEMBERS: "Where's Cameron?"] May I begin by welcoming the tone of the Leader of the Opposition's speech, which I very much hope will set the tone of our debate this evening? In response to the sedentary interventions from the Opposition, may I say that it is entirely appropriate that the Leader of the House should speak during this

debate given that today represents a victory for Parliament and for those whom we represent. As events have overtaken the motion and as this is a short debate I propose, like the Leader of the Opposition, to make a brief contribution.

Despite the fact that the police investigation is under way and that the public inquiry announced by my right hon. Friend the Prime Minister is soon to be up and running, we are still hearing shocking allegations by the day. We are hearing allegations that personal details of members of the royal family were handed over to newspapers for profit, that the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), whom I welcome this evening, had his details blagged by another News International title and that victims of terrorism also had their phones hacked into and their privacy invaded. As both the nature of the malpractice and the scope of the newspapers involved widens, it is right that the police continue to follow their inquiries and the evidence wherever it takes them.

It was simply unrealistic to expect the public and politicians to separate all this from News Corporation's proposed takeover of BSkyB. That is why both the Prime Minister and the Deputy Prime Minister were right when they said earlier this week that News Corporation should withdraw its bid. Any hon. Member who was running the company right now, with all its problems, difficulties and the mess it is in would want to get their house in order first, before thinking about the next corporate move. That is why it was entirely right for News Corporation to withdraw its bid today. The whole House will welcome that decision.

I want to pick up a point that the right hon. Member for Doncaster North (Edward Miliband) made towards the end of his remarks. Today has proved that those commentators who have in the past written this place off were completely wrong. We have seen the tenacity of Back Benchers. The hon. Members for West Bromwich East (Mr Watson) and for Rhondda (Chris Bryant), my hon. Friends and my right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes) have been in the forefront of a relentless campaign for the truth, and they have revealed that the House is able not only to reflect the public mood, but to be a champion of its causes.

I also pay tribute to the forensic scrutiny of Select Committees—those chaired by my hon. Friend the Member for Maldon (Mr Whittingdale), the right hon. Member for Leicester East (Keith Vaz) and my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith). They have vindicated the decision to make the Select Committees more independent of the Executive. The Chamber, which some had argued was losing its relevance and power, has in fact been leading the public debate over the past fortnight, with the Standing Order No. 24 debate, statements and Select Committee hearings all being televised live.

No one can say today, as they did two years ago, that Parliament is irrelevant. Yes, we have learned the hard way how easy it is to lose the trust of our constituents, but having proved itself an effective champion of the people on this issue, the House has the opportunity not only to regain the initiative, but to restore public confidence in Parliament at the same time.

Several hon. Members *rose—*

Sir George Young: I give way to the hon. Member for North Antrim (Ian Paisley).

Ian Paisley (North Antrim) (DUP): I thank the Leader of the House for giving way. As the saga unfolds and acquires a greater international component, what powers will the inquiry have to ensure that the international aspects of the story can be properly investigated so that the House is seen to have teeth and to be able not only to clean up the mess here, but to set an international standard?

Sir George Young: The prime focus of the inquiry that we have announced should be getting things right in this country, but I have no doubt that as we make progress there will be interest on an international scale in the way we take matters forward.

Given the news that broke this afternoon, it is right that the House can now focus its attention on the wider concerns that the public feel—allegations of widespread law-breaking by parts of the press, alleged corruption on the part of the police, and the years of inaction from politicians.

Angus Robertson (Moray) (SNP): Does the right hon. Gentleman agree that it is unprecedented for a motion to be sponsored by six Opposition party leaders in the House of Commons and supported by Members on the Government Benches too? The Prime Minister said that he wishes there to be a cross-party approach. Bearing that in mind, does the right hon. Gentleman regret the fact that discussions that took place last night excluded the parties of Scotland, Wales and Northern Ireland?

Sir George Young: My right hon. Friend the Prime Minister addressed that question in the statement this afternoon. We have published draft terms of reference. We are consulting the devolved Administrations. They will have an opportunity to make an impact on the terms of reference.

There is a proper, large-scale and well-resourced police investigation which has all the powers it needs to bring those responsible to justice.

Mr Jamie Reed (Copeland) (Lab): Will the Leader of the House give way?

Sir George Young: For one final moment.

Mr Reed: There is no doubt that the depths of the scandal have yet to be fully revealed. Many people, among them Carl Bernstein, have compared it to Watergate. Does the right hon. Gentleman accept that comparison?

Sir George Young: It makes sense to allow the inquiry to take place before we pronounce a verdict on whether there is comparability with what happened in America, but the way that we have responded was the right way to respond, rather than to indulge in the sort of cover-up that happened over the Atlantic.

The House is clear that justice should be done. The Government are doing everything we can to make that happen. All Members will remember the scandal over parliamentary expenses that engulfed the House two years ago, almost to the day. Illegality and gross misconduct by a few, cover-ups and a lack of transparency, and the failure of self-regulation were a toxic mix that led to a

[Sir George Young]

dramatic change in how Parliament was perceived by the public, with the reputation of the majority tarnished by the actions of a minority.

I see parallels between what happened to us and what is now happening to another important pillar of any democracy, namely a free press. While there are parallels, there are also lessons. As with expenses, the right approach to the current situation is to reach political agreement on the right way forward, to ensure much greater transparency and to move away from self-regulation to independent regulation without impeding the media's ability to fulfil its democratic role.

Mr Cash: Will my right hon. Friend give way?

Sir George Young: I will make progress, as many Members wish to speak. The police investigation, the inquiry that the Prime Minister launched today and the ongoing inquiries being carried out by Select Committees must now be allowed to get on with their crucial work.

Mr Cash: On a point of order, Mr Speaker.

Mr Speaker: I hope that it is a point of order.

Mr Cash: We have been told that there are published terms of reference and it would be helpful to have access to them. We do not know where they are and have not been told what they are.

Mr Speaker: That is a very important point, but it suffers from the disadvantage of not being a point of order.

Sir George Young: My right hon. Friend the Prime Minister said in his statement this afternoon that the draft terms of reference would be placed in the Library.

This country has a rich tradition of a lively and free press, which must continue. We have been fortunate to have a strong and robust police force, which now must prove itself beyond reproach. Finally, although some outside this country may disagree, we are fortunate to have a House of Commons that is independent of Government, and the fact that Parliament has proved itself effective in resolving the issue is a tribute to how the House has addressed the matter.

5.26 pm

Mr Gordon Brown (Kirkcaldy and Cowdenbeath) (Lab): It is a bit like the old days for me, with the Government on the run, the Opposition in pursuit and a headline in *The Sun* saying, "Brown wrong", another example of my very close relationship with News International. It is like the old days, but with one exception: if I had not come to the House when I was Prime Minister, in a debate in which the Prime Minister has been implicated, I hesitate to think what hon. Members would have said—*[Interruption.]*

Much has already happened today outside the House, with the announcements by BSkyB and the subsequent announcement by Ofcom only a few minutes ago that it is now examining whether News Corporation is a fit and proper person or organisation for the 38% of BSkyB that it still holds. When there have been great occasions and great questions of moral concern, it has been this House that has spoken for Britain, and over the next few months this House must show that it can rise to the challenge. With the exception of decisions on peace and war, there is no matter of greater importance than the basic liberties of our citizens. Each generation has to reconcile for its times the freedom of the individual with the freedom of the press and balance two great rights, the right of the public to information and the right of the individual to privacy.

Mr Graham Stuart: Will the right hon. Gentleman give way?

Mr Brown: I want to set out the facts for the House and will be happy take any interventions after.

In nearly 30 years as a Member of this House, in opposition and in government, I have never sought to propose or impose any restrictions on the freedom of the press. At all times I have defended their right to expose any wrongdoing wherever it is found and to speak truth to power however uncomfortable it is, and indeed was at times for me. Although I will today make proposals for reform and comment on each point that the Prime Minister made earlier in the House, it is my judgment that we should reform but never undermine something so fundamental to our ordered liberty as our twin commitments to the freedom of the individual and to a free press.

I rise to speak not about myself, but for those who cannot defend themselves: the grieving families of our brave war dead; the courageous survivors of 7/7; the many other dignified, but now outraged, victims of crime and; most recently, and perhaps worst of all, the victims of the violation of the rights of a missing and murdered child. Many, many wholly innocent men, women and children who, at their darkest hour, at their most vulnerable moment in their lives, with no one and nowhere to turn to, found their properly private lives, their private losses, their private sorrows treated as the public property of News International—their private, innermost feelings and their private tears bought and sold by News International for commercial gain.

Amassed against these guiltless victims and against a succession of other victims of crime whose names I know about and have seen, and have yet to be made public, was the systematic use of base and unlawful methods—new crimes with new names: blagging, hacking, Trojans to break into computers and not just phones. It was not the misconduct of a few rogues or a few freelancers but, I have to say, lawbreaking often on an industrial scale, at its worst dependent on links with the British criminal underworld.

Mr Graham Stuart *rose—*

Mr Brown: I will set out my case and then I will answer questions.

This is the only way—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the right hon. Gentleman. Mr Stuart, I am going to say it to you once and once only: you are far too excitable. Be quiet and calm down—*[Interruption.]* Order. If you cannot—do not shake your head at me—then leave the Chamber.

Mr Brown: This is the only way to describe the behaviour of those at News International who took the freedom of the press as a licence for abuse, who cynically manipulated our support of that vital freedom as their justification, and who then callously used the defence of a free press as the banner under which they marched in step, as I say, with members of the criminal underworld. This nexus—this criminal-media nexus—was claiming to be on the side of the law-abiding citizen but was in fact standing side by side with criminals against our citizens. Others have said that in its behaviour towards those without a voice of their own, News International descended from the gutter to the sewers. The tragedy is that it let the rats out of the sewers.

When I became Prime Minister in 2007, I, with everyone else, had no knowledge of this systematic criminality within News International. I also did what any holder of the great office I held would do. With our armed forces at war in two theatres, and with my own sense of the need for a renewed national purpose, I wanted to unite the country, not divide it; to bring people on board, not to pick fights with them; and to strive to create the broadest coalition of churches and others across our nation in support of our nation's best interests, and not wilfully to set out to make an enemy of anyone. I therefore believe it was right, in what is often called the Prime Minister's honeymoon, however brief it turned out to be for me—and for my successor—to seek to build bridges with members of the public and the press and to strive to construct the widest coalition of understanding for our policies and purposes. I would be surprised if I am unique in politics in hoping for the best of relationships with our media.

Several hon. Members *rose—*

Mr Brown: Let me say, Mr Speaker, that I am about to set out some facts for this House, and I hope that once I have done so I will be able to give way to Members.

In the month that I started at No. 10, there were already issues of state involving News International—a decision that the Government had to make on a Competition Commission inquiry into the recently acquired stake that brought its ownership of ITV up to 16.8%. It was for the Government to decide on any referral to the competition authority, and the Government approached this with no bias against BSkyB. However, after examining in some detail BSkyB's activities, the Government, on the advice of the relevant authorities, found a case to answer and announced the strongest remedy possible—a referral to the competition authority, which went on to rule that BSkyB's share purchase in ITV was not in the public interest. So far from siding with the News International interest, the Government stood up for the public interest by making the referral. While we correctly gave it time to sell its shares, its shares had to be sold.

Next was the proposed Ofcom review into the onward sale of BSkyB sporting and other programmes, and the claims of its competitors that it had priced BT, Virgin and other cable companies out of the market. The public interest was in my view served by due investigation. We did not support the News International interest, but stood up for what in our view was the public interest. The Ofcom recommendation, which News International still opposes today, demanded that there be fair competition.

It is no secret that the 2009 McTaggart lecture given by Mr James Murdoch, which included his cold assertion that profit not standards was what mattered in the media, underpinned an ever more aggressive News International and BSkyB agenda under his and Mrs Brooks's leadership that was brutal in its simplicity. Their aim was to cut the BBC licence fee, to force BBC online to charge for its content, for the BBC to sell off its commercial activities, to open up more national sporting events to bids from BSkyB and move them away from the BBC, to open up the cable and satellite infrastructure market, and to reduce the power of their regulator, Ofcom. I rejected those policies.

Martin Horwood (Cheltenham) (LD) *rose—*

Nadhim Zahawi (Stratford-on-Avon) (Con) *rose—*

Mr Brown: I will give way after I have set out my evidence.

Those policies were clearly in News International's interests, but were plainly not in the British people's interests.

The truth is there in Government records for everyone to see. I am happy to volunteer to come before any inquiry, because nothing was given: there were no private deals, no tacit understandings, no behind-the-scenes arrangements and no post-dated promises. I doubt whether anyone in this House will be surprised to hear that the relationship between News International and the Labour Administration whom I led was, in all its years from start to finish, neither cosy nor comfortable.

I think that if people reflected on events as early as the summer of 2007, with the portrayal of me in *The Sun* as the betrayer of Britain, they would see them as somewhat absurd proof of an over-close and over-friendly relationship. Headlines such as "Brown killed my son", which made me out to be the murderer of soldiers who were actually killed by our enemy, the Taliban, could hardly be a reflection of a deep warmth from News International towards me. The front-page portrayal of me as "Dr Evil" the day after the generally accepted success of the G20 was hardly confirmation of *The Sun*'s friendship and support as the world battled with the threat of a great depression.

It has been said that the relationship between News International and the Government of the day changed only because in 2009 News International suddenly decided to oppose Labour formally. I say that the relationship with News International was always difficult because Labour had opposed its self-interested agenda.

I have compiled for my own benefit a note of all the big policy matters affecting the media that arose in my time as Prime Minister. That note also demonstrates in detail the strange coincidence of how News International and the then Conservative Opposition came to share almost exactly the same media policy. It was so close that it was often expressed in almost exactly the same words. On the future of the licence fee, on BBC online, on the right of the public to see free of charge the maximum possible number of national sporting events, on the future of the BBC's commercial arm, and on the integrity of Ofcom, we stood up for what we believed to be the public interest, but that was made difficult when the Opposition invariably reclassified the public interest as the News International interest. It is for the commission

[Mr Gordon Brown]

of inquiry to examine not just the promises of the then Opposition, but the many early decisions of this Government on these matters.

During the last year of our Government, information became public to suggest that the hacking of phones, and indeed of computers, went far beyond one rogue reporter and one rogue newspaper. In February 2010, the Culture, Media and Sport Committee reported that the number of victims was more than the handful that had been claimed. It said it was inconceivable that no one else at News International other than those convicted was in the know. News International, it said, was guilty of "deliberate obfuscation". But already, in August 2009, Assistant Commissioner Yates of Scotland Yard had taken only eight hours—less time, I may say, than he spent dining with the people he should have been investigating—to reject pre-emptively a further police inquiry. Even the proposal that an outside police force take over the Scotland Yard inquiry had been rejected.

Having seen the Select Committee report, I immediately asked the head of the civil service to agree that we set up a judicial inquiry. Far from the so-called cosy relationship alleged with News International, which would have meant doing nothing, my answer to what appeared to be News International's abuse of press freedom was a full judge-led inquiry to meet growing public concern.

Let me summarise the formal advice contained in a memorandum to me rejecting such an inquiry: that, while there were some new facts and there was a media culture permissive of unlawful activities and deliberate obfuscation by News International, the Select Committee did not believe that the practices were still continuing, and thus they did not meet the test of urgent public concern; that time had elapsed and evidence may have been destroyed; that the *News of the World* and individuals had already been punished by their resignations and jail terms; that there was no evidence of systemic failure in the police, and anyway all their decisions had been checked with the Crown Prosecution Service; and that targeting the *News of the World* could be deemed to be politically motivated, because it was too close to the general election and would inevitably raise questions over the motivation and urgency of an inquiry.

Several hon. Members *rose—*

Mr Brown: I think that for the benefit of the future debates on the matter and the inquiry, this information is relevant.

The memorandum stated that if an appeal was made against a judicial inquiry, such a challenge might succeed, and that there was not only no case for a judicial-led inquiry, but not a strong case for either a non-judicial inquiry or even a reference to the Independent Police Complaints Commission, or even for asking the police to reopen their inquiry.

Mr Graham Stuart: On a point of order, Mr Speaker. May I ask whether there is any time limit in this debate, and—

Mr Speaker: Order. The hon. Gentleman will resume his seat. If there were a time limit it would be announced; when there is, it will be. That is the end of the matter. It is a totally bogus point of order, as the hon. Gentleman knows.

Mr Brown: I notice that the hon. Gentleman asks for a time limit; perhaps what he ought to do is listen to the facts.

If we do not act now on what we now know, and if we do not act forcefully and with clarity, friends around the world who admire our liberties will ask what kind of country we—*[Interruption.]*

Mr Speaker: Order. I apologise for having to interrupt the right hon. Gentleman.

Earlier today the Prime Minister said it; the Leader of the Opposition has said it; the Leader of the House has said it—a new tone, a new mood. *[Interruption.]* Order. The hon. Member for Broxtowe (Anna Soubry) will be quiet. There will be interventions when the Member who has the floor takes them, and not before. Members will observe basic courtesies and listen quietly and with respect to speakers. That is the end of it. Mr Stuart, if you are not prepared to do so, leave the Chamber. We can manage without you.

Mr Brown: If we do not act now as a House of Commons, knowing what we now know, and act forcefully and with clarity, friends around the world who admire our liberties as a country will now ask what kind of country we have become. A crime has been committed against innocent members of the public; a complaint has been made to the police and no satisfaction has been given. Even when the police have had someone's name as a likely victim, they were neither telling them nor taking action. No action from the head of the first police inquiry, Andy Hayman, whose next job just happened to be at News International; no action from his successor, who had overall responsibility for two inquiries—Mulcaire and Abelard, or what is called Southern Investigations—each with vast but unexamined archives exposing criminality on a huge scale. Inspector Yates has redefined for us the meaning of an inquiry. He not only failed to ask any of the right questions but, as became clear yesterday, he failed even to ask any of the basic questions.

I deeply regret my inability to do then what I wanted to do—to overturn the advice of all the authorities and set up a judicial inquiry. I can say for the record that, as I left office, I talked to the leader of the Liberal party and warned him that a Coulson problem would emerge, and I did so directly, and not through an intermediary who might not remember to pass on the message. At the same time, I handed him, in person, our proposal for a commission into the media, and in summer last year, I wrote to the head of the civil service to point out that the previous advice against the judicial inquiry had clearly since been overtaken by the new evidence.

I am afraid that the House must examine more recent, more damning and more alarming evidence. Because of what happened to my children, whose privacy at all times I have tried to protect, I have been sent, I have been offered, and I have had thrust upon me a great deal of evidence that is relevant to this debate, which is now for the police to examine. It is right for the House to know that the damage done in the past 10 years to innocent lives was avoidable. As early as the winter of

2002, senior police officers at Scotland Yard met the now chief executive of News International and informed her of serious malpractice on the part of her newspaper staff and criminals undertaking surveillance on their behalf. The new investigation will no doubt uncover why no action was taken within News International and what lay behind the subsequent promotion of that junior editor concerned.

In that context, and again, because of what happened to my family, I have been made aware of an additional and previously unexamined stream of orders by one of the editors at News International, Mr Alex Marunchak, to hack and to intrude—a man who was subsequently promoted to be a full editor of a regional edition of the *News of the World*. As we now know, a cover-up can be more damning than the original crime, and the decision of the News International chairman to pay, without reference to his board, some victims sums of around £500,000, may now be seen as the buying of silence. Given his statements to this House, that must now be the subject of full parliamentary, as well as police, scrutiny.

The freedom of the press in this country was built through the countless acts of fearless people who had done no wrong, and yet had to make huge sacrifices. Today, the freedom of the press can best be assured by full disclosure and reparation by those who know that they have done wrong. First, for the future, the press media itself should immediately press for a new Press Complaints Commission. We need one that is proactive, not passive; one that is less about protecting the press from the public, and more about properly processing the complaints of the public against the press; and one that is wholly independent, so that it can differentiate, and be seen to differentiate, between the abuse of power as a result of self-interest and what we really need, which is the pursuit of truth in the public interest.

We need to put an end to the violation of rights, but also to ensure the righting of wrongs. Secondly, therefore, News International papers, and every other responsible paper, should in future be obliged to publish—not on page 35 or 27, but on page 1—apologies to all individuals whose rights have been infringed. Perhaps in future we will know the naming and shaming of criminals inside the media by the name of one of the saddest victims, as happened with Sarah's law. That would require News International to practise what it has so self-righteously preached to other people.

Thirdly, we must do all in our power to prevent the subversion of our basic rights again. We must therefore be ready to discuss limits to the undue concentration of ownership in the media as a whole. I must say to the Prime Minister, in response to the statement he made earlier today, that I believe that he will have to widen the remit of the commission of inquiry, so that we are sure that it will examine not just the police and general ethics, but all the evidence of the abuse of surveillance techniques and technologies, as a result of which we saw the undermining of our civil liberties.

In the long and winding evolution of our rights and freedoms, the people of this country have always been at risk from huge concentrations of power. Traditionally, they have seen the freedom of the press as a force for their freedom, but when our country's biggest media organisation has itself become an unchallengeable concentration of power, as it was until today; when it is has held in contempt not only basic standards of legality, but basic standards of decency, too; when it has replaced freedom with licence; when it has wielded power without ever being elected to do so; and when it has regarded itself not only as above the law, but as above the elected institutions of our country, all concerned people in this House should be able to see that what should be our greatest defence against the abuse of power had itself become an intolerable abuser of power.

History will also show that a press will not long remain free in any country unless it is also responsible. If the irresponsibility that has characterised News International is not to define the public view of the media as a whole and if continued irresponsibility is not to force Parliament to take ever stronger measures to protect the public from the press, we will need far more than the closure of a newspaper one week and the withdrawal of a bid the next.

Jacob Rees-Mogg (North East Somerset) (Con): Will the right hon. Gentleman give way?

Mr Brown: I give way.

Hon. Members: Hear, hear!

Jacob Rees-Mogg: I am extremely grateful to the right hon. Gentleman for giving way, as are many other Government Members. Before he finishes with this high moral tone, will he tell us something about Messrs Whelan and McBride?

Mr Brown: I find it strange that when I am giving to the House new evidence of criminal wrongdoing, the Conservative party, instead of listening, want to shout down the speaker. On reflection, when we are talking about people who have been abused as a result of the infringement of their liberties, the Conservative party will think it better to hear the evidence before jumping to conclusions.

Mr Graham Stuart: Will the right hon. Gentleman give way?

Mr Brown: Of course I will give way.

Mr Stuart: I am so grateful to the right hon. Gentleman. He said that he was not aware of systematic abuses of the law by News International. May I put it to him that from near the beginning of the previous Government, News International executives, in conjunction with Members of the then Government, conspired to smear Lord Ashcroft and they illegally—*[Interruption.]* Labour Members think that there is one law for them and another law for others. They illegally blagged bank accounts in order to try to undermine Her Majesty's Opposition. He knew about it then. Why was nothing done?

Mr Brown: I am surprised that this debate, which started with our desire to protect the lives of innocent children, should end up with the Conservative party more interested in defending Lord Ashcroft. I would have thought that, if the hon. Member for Beverley and Holderness (Mr Stuart) knew that there were so many abuses at News International at the time, he would have advised the then Leader of the Opposition not to employ Mr Andy Coulson.

Nadhim Zahawi: I thank the right hon. Gentleman for giving way. It is nice to see him in the Chamber, Mr Speaker. I have listened carefully to him—*[Interruption.]*

Mr Speaker: Order. The hon. Gentleman must be heard.

Nadhim Zahawi: Thank you, Mr Speaker. I have listened carefully to the right hon. Gentleman as he has so eloquently outlined for us his bravery in standing up to Murdoch. Does he regret that the previous Government held a slumber party for Elisabeth Murdoch and Rebekah Wade, as she was known then, at Chequers?

Mr Brown: The hon. Gentleman started by implying that I have not been in the House much. I have come to a debate on the future of the media on an issue in which the Prime Minister of this country is implicated and has questions to answer. [HON. MEMBERS: "Where is he?] I repeat to the House that had I, as Prime Minister, not attended a debate on a problem that was partly my responsibility, Conservative Members would have been up in arms.

Alun Cairns: It was said earlier that if these inquiries are to succeed, the tone needs to be right. Does the right hon. Gentleman believe that he has contributed to that tone in the way he has provided his evidence today?

Mr Brown: Yes, because what I have sought to do is give the facts about the infringement of civil liberties, about the relationships between News International and the Government and about those instances where News International and the public interest diverge. I hope that the hon. Gentleman will ask the leader of the Conservative party and Prime Minister to do exactly the same on every single issue that I have raised, because it is going to be a matter of concern for the whole country, not just this month, but in many months to come: what are the precise relationships on individual policy issues between the Government of the day and one of the biggest corporations of the country? I make no apologies for setting out the record of our Government in our relationships with News International, and I hope that Members on the other side of the House will ask their leader to set out what happened in the relationship between his party and News International.

Several hon. Members *rose—*

Mr Brown: I will finally take one more question, because Mr Speaker will never call me again.

Charlie Elphicke: I thank the right hon. Gentleman for giving way. As a parent myself, I share the disgust at the invasion of his privacy, and I agree with him that the police have serious questions to answer. Nevertheless, criminality was disclosed in the Culture, Media and Sport Committee report in 2003 and by the Information Commissioner in 2006. As a new Member, I ask him: why was nothing done?

Mr Brown: I have set out the record of my desire to have a judicial inquiry. It was opposed by the police, opposed by the Home Office and opposed by the civil service, and it was not supported by the Select Committee of the day. However, if the hon. Gentleman felt that it was right in 2003 that there should have been an inquiry into the media, why at no point, even until last week, did the Conservative party ever support an inquiry into the media in this country?

Several hon. Members *rose—*

Mr Brown: I am so tempted to take further interventions, but I would lose my chance ever to speak again, so I must bring my remarks to a conclusion.

Ofcom—this is incredibly significant—has this afternoon announced that it is now going to apply the "fit and proper" test to the remaining holdings of News International in BSkyB. This is a further useful step, but we must now have three things: a sustained and rigorous process of investigation and disclosure; a fairer distribution of media power in our country which will eventually restore the public faith in a media that are fully and genuinely free; and, as a result of what we now know, robust measures, akin to those that I have described this afternoon, to ensure that the lethal combination of illegality, collusion and cover-up that we now know has prevailed for a whole decade can never happen again.

5.58 pm

Mr John Whittingdale (Maldon) (Con): It is not often, I expect, that I shall sign a motion in the name of the Leader of the Opposition. On this particular occasion I thought it right to do so. I commend the Leader of the Opposition on his approach, which is that we must tackle these appalling matters on a cross-party basis. I have always tried to do that in the Culture, Media and Sport Committee, which I am proud to chair, and I think that we have succeeded. I will merely say that I am sorry that the Leader of the Opposition's predecessor did not choose the same approach this afternoon.

I believe that the atmosphere at present has become so poisoned by the stream of appalling revelations that it would have been quite wrong for the News Corporation bid to acquire the whole of BSkyB to go ahead. We still do not know—we still have not even begun to know—the full extent of what has been going on in the newsroom at the *News of the World*, in the higher levels of News Corporation or, possibly, outside that, in other organisations, but clearly there were already question marks about the "fit and proper" test for News Corporation's bid. The important thing is that we should obtain answers to questions very rapidly. There is an ongoing police inquiry, which needs to be concluded as fast as possible; there is the judicial inquiry that the Prime Minister has rightly set, which I fear will take much longer; and then there is my Select Committee, which has asked Rupert Murdoch, James Murdoch and Rebekah Brooks to appear before it next Tuesday. We have not yet received a response. The Select Committee will meet tomorrow morning, and if we have not received a reply by then, we might well wish to return to the House to ask it to use the powers available to it to ensure that witnesses attend.

Penny Mordaunt (Portsmouth North) (Con): There is an assumption that, once the *News of the World* ceases to trade, the victims of phone hacking will still have legal redress and that there will be a compensation fund for them. I doubt that that is the case, however. Is that something that the Committee could look at?

Mr Whittingdale: It might be more appropriate for the judicial inquiry to look at that matter, as it essentially involves a point of law, but I entirely share my hon. Friend's concern that the victims should have access to proper compensation when wrong has clearly been done to them.

The Committee decided that we wanted to hear from Rebekah Brooks because she is the chief executive of News International, and from James Murdoch because he was until recently the chairman of News International in this country. We have also asked Rupert Murdoch to appear, because he is essentially synonymous with News Corporation. He has considerable achievements to his name. He pioneered the use of new technology in the newspaper industry, which transformed it, and he took the brave decision to launch BSkyB, which changed the whole face of British television. It is the case, however, that he will now be forever tarred with the revelations that have come out over the past few months about what has happened in his papers.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): As the hon. Gentleman knows, I was his predecessor as Chairman of the Culture, Media and Sport Committee. As he also knows, we asked Rebekah Brooks—then Rebekah Wade—to give evidence to the Committee, with Andy Coulson, at that time. She admitted with clarity that she had been involved in paying money to the police. Andy Coulson said that that had been done only within the law, which was an unbelievable lie because it is impossible for a newspaper to pay money to the police within the law. When the hon. Gentleman has Rebekah Brooks and the other people from News International before him, I advise him to take a long spoon with him, because of the way in which they will try to lie and cheat their way out of the predicament that they are in.

Mr Speaker: Order. Interventions must be brief.

Mr Whittingdale: I recall vividly the evidence given by Rebekah Brooks to the Committee when the right hon. Gentleman was its Chairman. It included matters that he rightly says might turn out to be criminal, and I am certain that the judicial inquiry will want to examine them. I have no doubt that some of my colleagues on the Select Committee, who are extremely robust on these matters, might well wish to ask questions about those matters as well, should they have the chance to do so.

In regard to the takeover of BSkyB—which is, after all, the matter that we are supposed to be debating this afternoon—it has always been the case that there are more stringent tests for the acquisition of a media company in this country. That is right; it is a reflection of the power of the media that they should be subject to greater tests. I would like to take this opportunity to commend the Secretary of State for Culture, Olympics, Media and Sport, my right hon. Friend the Member for South West Surrey (Mr Hunt), who has been utterly scrupulous in his handling of this matter. I believe that he has acted on the basis of independent advice at every stage, and it is difficult to find fault with the way in which he has conducted himself.

Kevin Brennan (Cardiff West) (Lab): Speaking as a former competition Minister, may I ask the hon. Gentleman to accept that it was open to the Secretary of State to make a choice to stick with his original conclusion that he was minded to refer the matter to the Competition Commission? Had he done that, we could have been saved a lot of trouble.

Mr Whittingdale: My right hon. Friend the Secretary of State acted on the basis of the advice that he received from Ofcom. The original advice was that he should refer the bid, but Ofcom then came back and said that the undertakings being given by News Corporation were sufficient and that there was no longer a need to do so. At every stage, he has acted on the advice of the independent regulator.

I want to say a few words about BSkyB, which has been an extraordinarily successful company. It has pioneered choice in television and introduced the personal video recorder, high-definition television and 3D television. It has recently passed the 10 million home mark. It has been incredibly successful. It is right that its ownership should be subject to very close scrutiny. I would also like to commend it on its most recent announcement of £600 million of annual investment in UK content, which will do a tremendous amount of good.

The test that my right hon. Friend the Culture Secretary put up to be examined was that of plurality. That is about Sky News. It is worth saying that throughout this saga, Sky News has displayed the same objectivity and independence in its coverage of matters concerning its parent company—or the company that sought to become its parent company—as it has in other matters.

Mr Cash: We heard earlier about the published terms of reference set out by the Prime Minister. We got them from the Library and they refer to a

"judge-led inquiry into phone hacking"—

but it is confined to the press. Would my hon. Friend, having been consulted and with his Committee meeting tomorrow, agree to look into these terms of reference? Does he agree that sound and visual media journalism has to be included to make the inquiry fully comprehensive?

Mr Whittingdale: I have not yet heard any suggestion that similar activities have been undertaken by television or radio companies, but, should that be uncovered, I have no doubt that the judge would request a broadening of the terms of reference to include it. The important thing is that the judge should follow the evidence wherever it leads. As I understand it, that is the undertaking that the Prime Minister gave.

Some have expressed the concern that Sky News might go the way of Fox News. Fox News is very successful, but I do not believe that it would ever succeed in this country. We have an entirely different climate. Nevertheless, that was the key issue under consideration when we examined plurality. However, the revelations over the course of the last two weeks have raised a much more serious issue—the "fit and proper" test and whether or not News Corporation meets it, not just in respect of its 100% ownership, but now in respect of its 39% ownership of BSkyB. That is something that Ofcom will want to consider, but I believe that Ofcom is correct in saying that it should act on the basis of evidence rather than allegation. These matters need to be pursued to the very end. We need to discover the truth, and if it turns out that very senior executives in News Corporation are involved in, or had

[Mr Whittingdale]

knowledge of, what has been going on, that will raise questions about the fit and proper test. I have no doubt that Ofcom will pursue them.

It might take years for us to find the full extent of what has been happening and to get to the truth, but if that is what it takes, that is what we must do. This episode must never be allowed to recur. We need to find out the full extent of it. We will try to begin to uncover some of the truth on Tuesday, if those people are willing to appear before us, but this judicial inquiry and the police inquiry must find the truth.

Several hon. Members *rose—*

Mr Speaker: Order. In view of the level of interest expressed, from now on there will be a four-minute limit on Back-Bench contributions.

6.8 pm

Mr Ben Bradshaw (Exeter) (Lab): I wish to concentrate briefly on an issue that, in the understandable outrage over the phone-hacking scandal, has been largely overlooked, at least until it was raised by my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), the former Prime Minister, earlier this afternoon. That issue is the extent to which the current Government's policy has been influenced by News Corp interests.

The sorry saga of the BSkyB takeover bid has already been well documented, but other Government policies could also have been written in Wapping. The first was the announcement last summer that the Government would not implement the recommendations of Labour's Davies report into listed sporting events. Sport is one of the biggest money spinners for Sky and there remains real public concern about the lack of sport, particularly of test cricket, on free-to-view television. When the Leader of the House responds, I would like him to tell us when the Government intend to implement Davies's modest and sensible proposals in full.

The second example is when the Government abandoned Labour's proposals for regional news consortia, funded by a protected element of the licence fee, in order to secure the future of high-quality, impartial regional news and news in the nations on ITV. James Murdoch hated this idea; I know because he told me so in one of the many rows we had. One of the first decisions the current Secretary of State took when he came into office was to scrap these regional news consortia, in spite of the fact that they were already well down the road to implementation and had the full support of the industry and the public.

The third area, to which my right hon. Friend the Member for Kirkcaldy and Cowdenbeath has already referred, is the Government's assault on the BBC through the biggest cut in funding in its history, leaving the corporation having to cut its programme funding by a massive 25%.

We should not be surprised by any of this. All that one needs to do is read James Murdoch's chilling speech at the Edinburgh TV festival in 2009, in which he called for the BBC to be "cut down to size" and for Ofcom to be "neutered or scrapped". What did the then Leader of the Opposition do in response? He added Ofcom to his list of quangos for the chop.

Returning briefly to the now dead News Corporation-BSkyB takeover, we know from the Business Secretary's unofficial spokesman Lord Oakeshott that the Business Secretary would have referred the bid to the Competition Commission. Why did the Culture Secretary change the Business Secretary's policy and bend over backwards to help News Corporation avoid a long and costly inquiry? His approach in this regard has been extraordinary.

Several hon. Members *rose—*

Mr Bradshaw: He has repeatedly tried to hide behind the argument that he has a quasi-judicial role. Had he exercised that, he would have followed Ofcom's original recommendation and referred the bid in full to the Competition Commission. Is it not the case that there has always been a plurality problem? We thought there was a plurality problem; the Business Secretary thought there was a plurality problem; Ofcom thought there was a plurality problem; every serious media analyst in the country thought there was a plurality problem. The only people who did not think there was a plurality problem were News Corporation and the Government.

Several hon. Members *rose—*

Mr Bradshaw: To dispel any suspicion—[Hon. Members: "Give way!"] No, I will not give way. *[Interruption.]*

Mr Speaker: Order. If the right hon. Gentleman wants to give way, it is up to him.

Mr Bradshaw: I give way to the Secretary of State.

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): Will the right hon. Gentleman accept that it was on the basis of Ofcom's independent advice that the media merger should go ahead that I made that recommendation to the House? On Monday morning, I wrote back to Ofcom to ask whether it stood by that advice, as a result of which the bid ended up being referred to the Competition Commission.

Mr Bradshaw: We will discover that when all the papers are published, which is my next point. However, what happened came only after the Secretary of State intervened on behalf of News International in a negotiation with Ofcom.

To dispel any suspicion in the House and among the British people that the Government acted under pressure from News Corporation, the Government must now disclose the details of all meetings, discussions and communications involving Ministers, officials and representatives of News Corporation, or their representatives. That must include details of the now infamous back-door visit to Downing street straight after the election, and the Prime Minister's Christmas dinner with James Murdoch and Brooks in Oxfordshire.

May I finish with some friendly advice to the Government? The information will come out. It is far better for the Government to put it voluntarily into the public domain now than to have it prised out by freedom of information requests or by the forthcoming judicial inquiry. As my right hon. Friend the Member for Kirkcaldy and Cowdenbeath has said, it is rarely the initial mistake, incompetence or bad judgment that is fatal, but the cover-up.

6.13 pm

Mr Don Foster (Bath) (LD): The Leader of the Opposition was right to begin his remarks by saying that what has happened today is a victory for the British people. It was the British people who were horrified by the Milly Dowler affair, and by the hacking of the communications of the families of victims of 7/7 and of Afghanistan. The Leader of the Opposition was right to say that the British public forced the political parties to unite in the motion before us, and to put pressure on Rupert Murdoch in relation to the takeover.

I congratulate the Leader of the Opposition and the Leader of the House on the tone of their speeches and for seeking to avoid partisan remarks. As the whole House knows, for the past 30 years there have been significant failures by Governments of both major parties to stand up to the media in this country. What has happened today as Murdoch has backed down, probably only temporarily, is a victory for the British people. However, the Prime Minister was right to say that it is not the end of the matter: we must continue with the thorough police investigation to root out wrongdoing and bring those who have committed crimes to justice.

Mr Denis MacShane (Rotherham) (Lab): I am grateful to the right hon. Gentleman for giving way, although my intervention will give him injury time. I want to pray in aid a point made by his right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes). The Information Commissioner's analysis shows that we should worry more about the *Mail* newspapers than about Murdoch. Ten years ago, when my mother was recovering from a stroke, a reporter from *The Mail on Sunday* went into her house without knocking on the door to try to extract information from me.

Mr Foster: The right hon. Gentleman is absolutely right. The report to which he refers was published in 2006, when his party was in power. It alleged that 305 journalists were acting illegally, and no action was taken.

We could become involved in party political stuff. I could point out that it is amazing that the former Prime Minister, who gave us that list of things that he did as Prime Minister, failed to make any mention of what his party did in government when he was merely the Chancellor of the Exchequer.

Critical actions are necessary. The Press Complaints Commission has been drinking in the last chance saloon for far too long. It is ridiculous that papers such as the *Daily Express* and the *Daily Star* can walk away from it, and that only people who have been directly affected by a judgment can get it to investigate. That must be changed.

It is also ludicrous that there is so little clarity about how the "fit and proper person" test should be conducted. I asked the Secretary of State about that on Monday, and I asked the Prime Minister about it today. It is true that the British public wanted to know not just whether Murdoch's was a fit and proper organisation to take over yet more shares, but it was not made clear whether the test could take place on the basis of its current 39% shareholding. I am delighted that Ofcom is now investigating that, but the law is still confused about the issue.

The law is also confused about plurality—the issue of who should own our media to ensure that it contains multiple voices. Surely by now the House recognises that, in the modern era of communication, it is not just news and current affairs that determine how we think about ourselves and the world. That can also be done by drama, comedy and many other means.

Duncan Hames (Chippenham) (LD): I suggested to the Secretary of State in March that there was a case for wider application of automatic triggers for referral to the Competition Commission. Does my hon. Friend agree that the Government should consider that?

Mr Foster: My hon. Friend is absolutely right. There is so much that needs to be sorted out.

Rupert Murdoch has dropped his bid for the time being, but who knows when he will return via another bid? The British public will never forgive us if we take our eye off the ball. The inquiries must go ahead, and the revisions to law must go ahead, so that we can have a decent press in this country in which journalists—the majority—who carry out the fearless inquiries that we want, but do it legally, are allowed to continue to do so.

It is a disgrace that when Rupert Murdoch closed the *News of the World*, a large number of journalists who had done absolutely nothing wrong lost their jobs, while the person in charge, Rebekah Brooks, kept hers. When Rupert Murdoch arrived in this country, she was the person whom he described as the key issue for him. That is the most disgraceful thing that has happened in the last week.

6.18 pm

Sammy Wilson (East Antrim) (DUP): My party has no hesitation in backing the motion. The debate has now moved on. There will be inquiries. There will be an investigation of the wrongdoing, and there will be an investigation of the police and their activities. However, one thing must be dealt with if we are not to see a repeat of these events and a further undermining of our democracy. I refer to the whole issue of the concentration of press power in the hands of one organisation. It does not matter whether it is concentrated in the hands of News International, Rupert Murdoch or anyone else, but as long as that concentration is there, there will always be a tendency for those of us who are involved in the political field to want to be on the right side of the people who hold the power.

Karl McCartney (Lincoln) (Con): Does the hon. Gentleman agree that the debate is about more than a media mogul owning newspaper and television companies? Does it not also flag up the issue of dual share structures, in which the owners of one class of share, such as the class A non-voting shareholders of News International, have no voting rights?

Sammy Wilson: We must address everything that leads to that concentration of power. If that is not dealt with, there will always be a tendency to rush after and try to please those who have such influence.

We have only to consider the accusations that have flown back and forth across this House today. Why did the current Prime Minister, when he was at a low ebb in opposition, and under pressure from the Government

[Sammy Wilson]

of the day, hire a dodgy character even though he had been warned? Was that because of the influence that that might give and the doors that that person would open? Was it because of some of the other benefits that would come from the appointment?

Why did the current Prime Minister's predecessor bottle this, despite the fact that he knew about wrongdoings? He told us today that he knew about them. Was it because the Home Office said he could not do anything? Was it because the police said there was no evidence? Or was it because he knew there was a certain limit beyond which he could not go? After all, he was the Prime Minister, so he could have made the decision. I do not wish to be partisan; I just think that we must look at what has happened under both the current Prime Minister and previous Prime Ministers. How did they behave? How did parties behave when in government and seeking the support of News International? As long as we have that concentration of power, there will always be the danger that our democracy might be undermined by those to whom we have to pander because we need the headline.

That is bad for the business concerned as well, because of what it then believes. I have no doubt that News International believed it could get away with what it did get away with, because, being in such a powerful position, it felt that politicians might pull their punches and that the police might not fully investigate matters. As it felt that it could get away with some of those activities, it did them; then it pushed the limits and went further and further. If we do not deal with the concentration of power, I believe that this might happen again, regardless of what comes out of the inquiry, who goes to jail, and what sanctions are put in place.

Pete Wishart: As the hon. Gentleman will know, there are some big critical issues for the devolved Administrations in terms of the inquiry. Does he agree that it is imperative that whoever leads the inquiry, and however they do their business, they consult fully and engage comprehensively with the devolved Administrations?

Sammy Wilson: I hope that will be the case, and I am disappointed that there was not more consultation with the smaller parties representing Scotland, Wales and Northern Ireland about the terms of the inquiry, but I hope that will be remedied in the future.

The third reason why I believe we must deal with the concentration of power is that there will always be public mistrust of the news industry if it is felt that one group is so large that it can influence the law and politicians, and get away with things. That is not good for the press and the newspaper industry either, or for those who get on the wrong side of the door. We have seen how it has swung against the Labour party. At one stage that party was the darling of News International—but no longer. At one stage the Conservative party suffered as a result of being on the wrong side of the door. I know about that, too, from my experience in Northern Ireland, when the Conservative party joined with the Ulster Unionist party before the last election. News International had taken little interest in Northern Ireland politics and politicians, but suddenly there seemed to be an undue interest, in our party in particular. Indeed, a number of our party members were targeted—not that News International ever found any wrongdoing, but there was innuendo, and it was sufficient to sow doubts in the mind of the electorate.

That is why politicians will always try to get on the right side of the door. If we are on the wrong side, we know what will happen. We will not get the headlines, and instead we will get the investigations and the innuendo. For that reason, the concentration of power must be dealt with, even though the inquiry is not going to deal with it.

Graham Jones (Hyndburn) (Lab): Would the hon. Gentleman reflect on the headline that we see at every election, "It's the Sun wot won it"?

Sammy Wilson: Whether that is true or not—sometimes I think that perhaps we do not give enough credit to the electorate—politicians are aware that mass media can influence elections, so they try to keep on the right side. I hope that the inquiries will be made to look into the issue of concentration.

6.25 pm

Dr Phillip Lee (Bracknell) (Con): May I begin by emphasising my personal disgust at the revelations that have come out over recent days, particularly those with regard to the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown)? I really cannot imagine what it must be like to see one's child's health records in the public domain.

I wish to step back from what we have been discussing so far, as I think that it is important for Members of this House to do that in times of storm. We should not be in the middle of it; we should be stepping back. I wish instead to discuss media plurality in reality, as it is now in this world. The way in which individuals search for news, and indeed share news, is changing and has changed. As for the idea that the ownership of one news channel watched by a relatively small number of people should concern us greatly, I suggest that the ownership of search engines and social media should concern us more.

Let me set out a few facts from the United States. According to recent information from the Pew Research Center, Google is the biggest single driver of traffic to news sites in the United States. Facebook has 500 million users worldwide, and of increasing importance to Facebook is the fact that it shares news; it is a way for people to communicate with each other and pass on stories. People do not turn on Sky News to get stories; they get them from friends on Facebook.

In this country more than 90% of online searches go through Google, with the figure for Europe and the wider world being more than 95%. Why am I so interested in this? I have a company on my patch called Foundem, which has three employees and has interested the European competition commission. That vertical search engine company was launched in 2006, and was allegedly suppressed by Google. It is a vertical search engine for washing machines and motorcycle helmets—but news too is a commodity. If Google can suppress a company like that, it can suppress a news organisation; it can point people in the direction of their news. People may obsess about trying to make Mr Murdoch the bogeyman of the present, but this is past; this is not the way things will be in the future. It is all going to be about where

people get their news from, and that will not necessarily be the *News of the World*. By concentrating on one man at the moment, people are missing the point. That is the central thrust of my argument. News has changed, and the way in which people communicate has changed.

Mrs Madeleine Moon (Bridgend) (Lab): Does the hon. Gentleman accept that part of the revulsion against News International has arisen because it became a virtual state within the state, running to its own set of rules, being above the law and feeling that it did not have to follow even the rules of moral decency? Does he agree that one of the challenges that we face with organisations such as Facebook and Google is ensuring that they too cannot be allowed to become above the law, and above the laws of moral decency in what they publish, and in what people post?

Dr Lee: Of course I agree with that: it is a statement of the obvious, is it not? I am greatly concerned that we do have a media state in this country. I saw an interview with somebody on the BBC recently—a former deputy editor of the *News of the World*—who stated as much. However, my point is that the media are changing. I do not need to comment on someone's "fit and proper" right to own a newspaper or a news organisation; that is for others to do. My point is that at the moment we do not have control over where a lot of people are seeking to get their news from, and we have absolutely no idea whether what they are getting is the truth or not, because there is no check. That is why I agree with the hon. Lady.

Alun Cairns: I am grateful to my hon. Friend for making such serious and valid points. Does he recognise that the regulation of new media is much more difficult than even the regulation of the press, which makes it much more unpredictable and unmanageable?

Dr Phillip Lee: Yes, I do. That is the problem: we need cross-border understanding. As for getting some sense of an international legal framework, good luck with that. It is very difficult, but that is the challenge we face.

I do not want to take up all the time I have available, because I know that others want to speak. If hon. Members will indulge me, I shall quote a few lines of poetry. I heard this the other day from a modern poet:

"The slow one now,
Will later be fast,
As the present now,
Will later be past."

We should remember those words, because that is where we are now. There is a danger that we will obsess about the ownership of BSkyB whoever it is owned by, whether that is Mr Murdoch or someone else, following the announcement this afternoon. We might obsess about one component of the media, yet its importance will have passed. It will no longer be important to us as politicians, who clearly need to get our message over, but need to do so by having a professional relationship with the person who controls the presentation of that message to the public.

In conclusion, we should remember that the world is changing very quickly. In the future, Governments of any colour, red or blue, abroad or at home, will need to be very cautious about their relationships with businesses such as Google, Facebook and Twitter. They are the media giants of the future, and they might be just as capable of employing people who have committed the crimes alleged in recent days as News International has been in the past. We should bear that in mind.

6.31 pm

Chris Bryant (Rhondda) (Lab): Some chilling words: "This one is my priority," spoken by Rupert Murdoch about Rebekah Brooks; "There is far worse to come," spoken by Rebekah Brooks about the revelations; "News International was deliberately thwarting a police investigation," spoken by Commander Peter Clarke, who was in charge in the investigation and who has never said that in public until now; "I am 99% certain that my phone was hacked," spoken by Assistant Commissioner Yates, who is in charge of counter-terrorism in this country; and "Have you ever paid police officers?" "Yes," spoken by not just Rebekah Brooks but Andy Coulson.

Some disturbing facts: News International bullied those who opposed or were critics of the BSkyB empire; the policeman investigating News International went on to work for the company not years but weeks after he had stopped working for the Metropolitan police; Parliament has been lied to time and time again by a series of different people; material was deleted at News International and sometimes squirreled away and kept against a rainy day when a police officer might come knocking on the door to try to incriminate somebody else lower down the chain in the organisation; some people were ditched and thrown overboard, as we have seen throughout this year; and, as the right hon. Member for Bath (Mr Foster) said earlier, one of the most disgusting things that has happened in the past two weeks is that the people slaving away in the boiler room had to carry the can for those who were at the helm. That does not show that that is a decent company with which to do business.

Executive and non-executive directors at News Corporation completely failed in their fiduciary duties to ensure that criminality was not going on at their company and that the organisation was co-operating completely with the police. That involves Mr Aznar, Peter Barnes, Kenneth Cowley, Lachlan Murdoch, Thomas Perkins, John Thornton and Stanley Shuman, who should all be considering their position, too. I believe that this is proof that News Corporation is not a fit and proper body to hold its present holding in BSkyB, let alone any increased holding.

I pay tribute to the hon. Member for Maldon (Mr Whittingdale), who has been tenacious over the years on this matter. He said that BSkyB has done much that is good and I am sure all our constituents would agree. They watch lots of Sky television and enjoy their Sky Plus. The company has lots of technological innovation that only a robust entrepreneur could bring to British society, but it has also often been profoundly anti-competitive. I believe that the bundling of channels so as to increase the profit and make it impossible for others to participate in the market is anti-competitive. I believe that the way in which the application programming interface—the operating system—has been used has been anti-competitive and that Sky has deliberately set about selling set-top boxes elsewhere, outside areas where they have proper rights. If one visits a flat in

[Chris Bryant]

Spain where a British person lives, one finds that they mysteriously manage to have a Sky box there even though it is registered to a house in the United Kingdom.

Sky has a virtual monopoly over many areas of our lives, with 67% of residential pay-TV subscriptions and 80% of pay-TV revenues—with an average spend of £492 a year.

Greg Mulholland (Leeds North West) (LD): I pay tribute to the hon. Gentleman's tenacity and courage over the course of this matter. He has been a credit to Parliament in the way he has pursued this. He is quite right that News International must be brought to justice, but does he agree that we must address the concentration of ownership of the media? If we do not do that, the idea that we have a free press and free media is simply false.

Chris Bryant: I completely agree that we failed to address the fact that we have allowed one man to have far too much power in his hands, including four newspapers and all the rights I have been talking about.

It is not just newspapers and broadcasting that have been subject to anti-competitive practices; it is also advertising. Sky spends £127 million on advertising—double what Virgin is able to—in any one year. The fact that it has such a big presence in the market makes it difficult for others to enter. It is anti-entrepreneurial to allow one person to have so much power, which is why no other country would allow it.

I suspect that the people of the country have been way ahead of we politicians on all of this. In the 10 years that I have been an MP, many have come to my constituency surgeries and demanded changes to the system. We have all failed in our duty for far too long, perhaps because we were frightened. If the Murdochs fail to attend the Select Committee next week, I believe that the people of this country will conclude that the Murdochs are waving goodbye to Britain—and maybe that would not be a bad thing.

6.37 pm

George Eustice (Camborne and Redruth) (Con): I strongly support the motion and I think that Sky has been absolutely right to withdraw its bid. It gives the police time to complete their investigation and, at the end of all that, gives Ofcom time to assess whether BSkyB is fit and proper to have a broadcast licence.

I want to focus on a couple of areas, particularly to do with media regulation and how it could be improved. This change is long overdue. There is nothing new about these problems with the media. In 2006, a very comprehensive report from the Information Commissioner uncovered widespread problems here with a trade in people's personal information. A whole series of recommendations was made about toughening up the role of the Press Complaints Commission and changing the laws in some areas, but it was seen as too easy to ignore those recommendations and turn a blind eye to the report. That is a real indictment of the Opposition. Alastair Campbell spent the best part of a decade warning them that there was a problem with the media and that something needed to be done and it is wrong that that opportunity was not taken up.

Mel Stride (Central Devon) (Con): My hon. Friend raises the PCC, which has not been mentioned much in the debate. Does he agree that it has proven, over time, to be something of a toothless tiger? One of the big lessons from this sorry affair is that we need to look at having a situation in which, rather than one newspaper deciding on the rights and wrongs of another, we have a different way forward.

George Eustice: I absolutely agree, and I shall come to those issues in a moment. First, I want to say that the introduction of new regulation of the media should not be feared by journalism. Indeed, it could raise the status of journalism and restore confidence in the profession. If clear boundaries are enforced, that will strengthen the position of journalists if they are told to do a hatchet job on some story by their newspaper's proprietor or editor, perhaps because they are angry that a story was given to a rival paper. In such a situation, a journalist will be in a stronger position to resist and say, "No, that would be in breach of the code and would put us in a difficult position." At present the boundaries are not clear enough. That undermines journalism and makes it harder for journalists to face down demands from proprietors and editors alike.

It is also wrong for people to be concerned that a code would muzzle free speech. We have a tough broadcasting code to which all our broadcasters are subject, as my hon. Friend the Member for Maldon (Mr Whittingdale) mentioned. Sky News is a very good news organisation. It does a good job. There is nothing in that broadcasting code that hinders free debate. We have robust debates in a range of formats, but papers are culturally different so it would be wrong to apply the entire broadcasting code to the print media. In particular, it would be wrong to expect impartiality of the print press.

I shall touch on some of the aspects where we could improve the PCC or its replacement. There is not much wrong with the PCC code. The problem is that it has not been enforced with the rigour that we should require. In particular, the public interest defence, which is a kind of get out of jail card in so many areas, has been used and abused over the years, and used in all sorts of cases where there was no such public interest to justify the pursuit of certain means.

Another problem is a lack of sanctions. As the right hon. Member for Bath (Mr Foster) said, broadcasters who breach their code face serious and heavy fines of £250,000 and sometimes more. The press does not have such a culture. If there is no real consequence for newspapers that breach the code, they will not be too bothered about abiding by it. Finally, I wish to pick up on something that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) said, and which I have been pushing for some time. If a newspaper wilfully prints a story that it knows to be untrue, it is right and proportionate that it should give the same space to its correction as it gave to the original story. Sensible changes like that could help a great deal.

We all accept that the relationship between politicians and the media has got far too cosy over the years.

Damian Collins (Folkestone and Hythe) (Con): Does my hon. Friend agree that the role of the regulators on ownership is important? Although we in the House are

right to express our views and anger about BSkyB and other issues, it should not be for politicians to make arbitrary decisions about who owns what, or that may be seen as too much political interference in a free press.

George Eustice: I entirely agree. We need to keep the issues separate, but as I said earlier, given all that is going on, it is right—

Frank Dobson (Holborn and St Pancras) (Lab): Will the hon. Gentleman give way?

George Eustice: I will not give way. I am sorry. I have given way enough and we are nearly out of time.

We need to change the culture in which, over decades, the press barons have been led to believe that they can decide policy. It is no wonder, if they have had so many politicians coming to court them and seek their support. We need to try and get over that culture, and change things for the better. By weakening the press barons, we could strengthen journalism. It is important that we approach the debate in the right tone. We should be clear that we are not trying to stifle free speech, but that our objective is to strengthen journalism itself.

Mr Deputy Speaker (Mr Nigel Evans): I call Steve Rotheram to speak until 6.44 pm.

6.43 pm

Steve Rotheram (Liverpool, Walton) (Lab): There are not many in Liverpool who will shed any tears for the catastrophic downfall of News International and Rupert Murdoch or their belated withdrawal of the deal to purchase BSkyB, although they will sympathise with those innocent of any wrongdoing who have subsequently lost or may lose their jobs.

Twenty-two years ago the people of Merseyside decided to take on *The Sun* after it lied about the Hillsborough disaster. Although for a short time we received support in other cities, people gradually forgot the smear that had been perpetrated against us, while others preferred to believe what they had read, but nobody forgot on Merseyside. In 1999 the fight for justice for the 96 victims began and it is as strong today—

Mr Deputy Speaker (Mr Nigel Evans): Order. Winding-up speeches to begin.

6.44 pm

Mr Ivan Lewis (Bury South) (Lab): Today the House has come together to speak with one voice, but we must also show some humility. In reality, there were only two or three hon. Members willing to pursue these issues over a long period. My hon. Friends the Members for West Bromwich East (Mr Watson) and for Rhondda (Chris Bryant) deserve our respect for their courage and relentless pursuit of the public interest. That is ultimately why we are elected to this place. We also heard a remarkable speech by my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), who not only provided sensational new information, but reminded us that this issue goes to the heart of the character of our country, or the good society, as he would say.

In truth, the public do not ask much of their public institutions or private corporations. They have a right to expect a free and responsible press, clean and competent police, politicians who speak up for the public interest without fear or favour and businesses that obey the law and have decent ethical standards. On all those counts they have reason today to ask, "Who can we trust?" In the aftermath of the global banking crisis and the MPs' expenses crisis, there is an urgent need to answer that question. Today is our chance to make a start, but it is also a day for Mr Murdoch to reflect on the consequences of his company, which had no limits and a "story at all costs" culture that not only fuelled criminality, but offended every standard of decency. It is also a day for other newspapers to reflect on their level of involvement in illegal activities, because it is wrong that the reputation of the vast majority of journalists and editors is being undermined by the actions of a few. Remaining silent is no longer an option.

Given the outstanding serious allegations of criminality, the hacking of Milly Dowler's phone and of the phones of relatives of 7/7 victims and brave soldiers who fought in Iraq and Afghanistan, the public would never have understood this deal being allowed to go ahead. From the beginning we have called for it to be referred to the Competition Commission for a full and independent inquiry, but I was told time and again by the Secretary of State for Culture, Olympics, Media and Sport that that was not necessary and, in recent days, not possible.

Mr Jeremy Hunt: On that basis, does the hon. Gentleman think that I was wrong to follow the procedures laid down in the Enterprise Act 2002 and—the Act does not require this—to ask for and publish independent advice at every stage?

Mr Lewis: The right hon. Gentleman was wrong not to refer the matter to the Competition Commission and to rely on the good faith of a company that has been involved in this kind of activity.

What lessons have been learnt from this sorry episode? In matters of media ownership and mergers, politicians should never again fulfil a quasi-judicial role. Market share and power, and not simply plurality, must now be at the heart of the debate we are to have on the future. We welcome the fact that this will be part of an independent inquiry. A "fit and proper person" test should be applicable in all cases of serious failure of corporate governance. A new independent press regulatory system must reflect the new digital age and the rights of ordinary citizens more than the politician and the celebrity.

The Secretary of State must reflect on the judgments he has made, and I say to Government Members that the BBC may need reform, but its strength is absolutely central to the vitality of our democracy. We all know that the Conservative party has wanted to undermine the BBC at every opportunity. The Prime Minister described cuts to it as delicious, which demonstrates the kind of broadcasting environment they wanted to see in this country before these revelations changed for ever the course of how we make these decisions. Today is an historic day for this country. This House has asserted the public interest and finally made it clear, according to the values of my party, that no corporate interest can be allowed to write the law or break it.

6.49 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): This has been a very important day both for the country and for

[Mr David Heath]

Parliament. It is important because, for the first time, we have had a very clear indication that the police investigations that were carried out so inadequately before are now going ahead and yielding results.

It is important because we have heard of the establishment of a proper judicial inquiry under a very capable judge, Lord Justice Leveson, that will deal not only with the inadequacies of the previous inquiry and not only with the unacceptable practices in the press and the media. I am wholly unconvinced that those practices were confined to News International, and I am glad that the inquiry will work on a wider spectrum. The inquiry will look at the relationship between some media and some politicians and allow for proper investigation of the perhaps too cosy relationship that has sometimes existed. The decision by the Prime Minister to provide for proper disclosure of meetings between senior politicians and the media—I hope that the Leader of the Opposition will agree to that for his own party—seems to be a great step forward.

The other area that the inquiry will deal with—this is absolutely crucial, and I give credit to the hon. Member for Rhondda (Chris Bryant), who has been talking about it for some time—is the potential systemic suborning of police officers by some elements of the media. We must put an end to that.

Nicholas Soames (Mid Sussex) (Con): Does the hon. Gentleman agree that it is extremely important that the inquiry deals in great depth not only with the points that he has made but with the abuses of many other newspapers in illegally procuring personal information?

Mr Heath: I absolutely agree with that intervention.

I agree with the Leader of the Opposition and my right hon. Friend the Leader of the House that this is a good day for Parliament. We should avoid being self-congratulatory—we have hardly been a model of good practice over the years—but today, and over recent days, we have been able to demonstrate that we can express the views of the public.

It is also a good day because News International's bid for BSkyB has been withdrawn, as it should have been withdrawn. There was increasing revulsion at the revelations of what were called offences against common decency. I think people would have found it very difficult to understand why the Murdoch empire was carrying on trying to expand its boundaries when there were such clear deficiencies within.

Simon Hughes (Bermondsey and Old Southwark) (LD): Is it also the responsibility of the inquiry to look at the warnings that have been given over 17 years about the accretion of powers by the Murdoch empire, the failure to act on those warnings during those years, and the failure to act on the very clear recommendations to which the hon. Member for Mid Sussex (Nicholas Soames) referred, which suggested in 2006 that 31 newspapers and more than 300 journalists had been guilty of illegality. Nothing was done about that in the following five years.

Mr Heath: I am grateful to my right hon. Friend for saying that. It is absolutely essential that we look at not only the actions but the inactions of very many people during the progress of this scandal. It is extraordinary that so little was done for so long.

Frank Dobson *rose—*

Mr Heath: This is the last intervention that I will take.

Frank Dobson: Does the hon. Gentleman accept that the rot set in when, against the advice of the late Michael Foot, Mrs Thatcher set the precedent of refusing to refer the purchase of *The Times* and *The Sunday Times* to the then Monopolies and Mergers Commission on the grounds that 40% ownership of newspapers was too much in one pair of hands?

Mr Heath: We have had abundant evidence since then of what has or has not been done in relationships with the media.

The best contributions to the debate have been the most sober and non-partisan, and I am grateful to colleagues who entered into the debate in that context. I am grateful to the Chairman of the Culture, Media and Sport Committee, the hon. Member for Maldon (Mr Whittingdale), whose Committee has done such a lot of good work. I am grateful, as I have indicated, to the hon. Member for Rhondda for what he has said not just today but on previous occasions. I am grateful to my right hon. Friend the Member for Bath (Mr Foster), to the hon. Members for East Antrim (Sammy Wilson), for Bracknell (Dr Lee) and for Camborne and Redruth (George Eustice), and to the hon. Member for Liverpool, Walton (Steve Rotheram) for his very brief contribution. They talked not only about the criminal behaviour that has been uncovered over recent days and weeks, but about the concentration of power and ownership and the effect that that has on the media in this country, and about the adequacy of the Press Complaints Commission, which we clearly need to look at. The hon. Member for Bracknell warned that new media and technologies will bring new challenges that we have to address.

There were contributions from members of the previous Government. I think that most of what the right hon. Member for Exeter (Mr Bradshaw) said had more to do with the competition authorities and the Department for Culture, Media and Sport than with the contents of this debate, but he took this opportunity to raise those issues. There was a long contribution from the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). May I say that it is genuinely a pleasure to have him contributing to our debates in this House, and he should do so more often? Everybody understands his personal issues concerning the completely inappropriate release of information about his family, and everybody has sympathy for him over that. Everybody will take careful notice of the serious evidence that he produced to the House, which I hope will be properly considered by the inquiry. I hope that he will give full evidence to the inquiry, as he indicated he would in his contribution, as I hope will other members of the previous Government who have a story to tell. I would criticise him because there was a self-exculpatory tone in much of what he said, and I think that that may have grated on some. Nevertheless, it was an important contribution.

The hon. Member for Bury South (Mr Lewis) did not quite rise to the occasion. He wanted to take a partisan view, in considerable contrast to the leader of his party. He wanted to resile from the body of law that the Government of whom he was a member put in place. He wanted to say that issues that cannot be clearly linked in law should be linked in law. I remind him of what he said on 10 June, because it is relevant to his contribution:

"The serious admissions of culpability by News International aren't relevant to the News Corp-BSkyB media plurality issue".

Now he is saying that those admissions are intrinsic to it. He cannot have it both ways.

What we have seen is a systemic failure across the institutions of public life to get to grips with a cancer of wrongdoing. There were abundant signs over the years: admissions of criminal behaviour, Select Committee reports that went unheeded, and clear examples of big media organisations wielding too much power, political and commercial. I hope that the inquiries that are being put in place today will deal with that issue. I hope that that chapter is drawing to a close. I believe that we have a unique window of opportunity to get it right. *[Interruption.]* The hon. Member for Wrexham (Ian Lucas) says that we have barely started yet. He is absolutely right. We have barely started getting to grips with this cancer of wrongdoing, but we will get to grips with it. We now have an inquiry that will set us on the right path and a Government determined to act. That is as it should be. I am grateful, Mr Deputy Speaker, for the opportunity to contribute to this debate.

Question put and agreed to.

Resolved,

That this House believes that it is in the public interest for Rupert Murdoch and News Corporation to withdraw their bid for BSkyB.

Mr Foster: On a point of order, Mr Deputy Speaker. On a lighter note, is there a way in which you can draw to the attention of the House the significant victory by the House of Commons rowing team, by four lengths, over the House of Lords?

Mr Deputy Speaker (Mr Nigel Evans): I could not possibly think of a way of making it more widely known than you just have, Mr Foster. Thank you very much for lightening the proceedings.

Business without Debate

DELEGATED LEGISLATION (COMMITTEES)

Ordered,

That the draft Modifications to the Standard Conditions of Electricity Supply Licences, which were laid before this House on 9 June, be referred to a Delegated Legislation Committee.—*(Stephen Crabb.)*

SITTINGS OF THE HOUSE (19 JULY)

Ordered,

That, on Tuesday 19 July, the Speaker shall not adjourn the House until he has notified the Royal Assent to Acts agreed upon by both Houses.—*(Stephen Crabb.)*

DRAFT FINANCIAL SERVICES BILL (JOINT COMMITTEE)

Motion made,

That this House concurs with the Lords Message of 21 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That a Select Committee of six Members be appointed to join with the Committee appointed by the Lords to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That the Committee should report on the draft Bill by 1 December 2011.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Nicholas Brown, Mr David Laws, Mr Peter Lilley, David Mowat, Mr George Mudie and Mr David Ruffley be members of the Committee.—*(Stephen Crabb.)*

Hon. Members: Object.

DELEGATED LEGISLATION

Mr Deputy Speaker (Mr Nigel Evans): With the leave of the House, we shall take motions 8 to 12 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TAXES

That the draft International Tax Enforcement (Liberia) Order 2011, which was laid before this House on 17 June, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (South Africa) Order 2011, which was laid before this House on 17 June, be approved.

That the draft International Tax Enforcement (Aruba) Order 2011, which was laid before this House on 17 June, be approved.

That the draft International Tax Enforcement (Curaçao, Sint Maarten and BES Islands) Order 2011, which was laid before this House on 17 June, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (Mauritius) Order 2011, which was laid before this House on 17 June, be approved.—*(Stephen Crabb.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft Criminal Justice and Licensing (Scotland) Act 2010 (Consequential Provisions and Modifications) Order 2011, which was laid before this House on 22 June, be approved.—*(Stephen Crabb.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SOCIAL SECURITY

That the draft Disclosure of State Pension Credit Information (Warm Home Discount) Regulations 2011, which were laid before this House on 23 June, be approved.—*(Stephen Crabb.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

CONSULAR PROTECTION

That this House takes note of European Union Document COM(2011) 149, relating to consular protection for EU citizens in third countries; recalls that such Communications are not legally binding; underlines that the competence for consular protection remains with Member States; and agrees with the Government's approach to the EU's consular work.—*(Stephen Crabb.)*

Question agreed to.

PETITIONS

Mr Deputy Speaker (Mr Nigel Evans): We now move on to petitions. The first is from Teresa Pearce. She is not available, so we move on to Mr Nicholas Brown.

Abolition of Cheques

7.2 pm

Mr Nicholas Brown (Newcastle upon Tyne East) (Lab): I should like to present a petition on behalf of my constituent Dr Helen Gilthorpe, declaring that the petitioners

are profoundly concerned by the proposed abolition of cheques.

It is accompanied by another petition in similar terms signed by some 60 of my constituents, many resident at the Abbeyfield care home in my constituency.

I know that the arguments for the retention of cheques are well understood by the House. The cheque is still the second largest means of payment by value in this country, and cheques are a convenient way of paying bills and making donations to charity. Some 46% of cheque use is by those aged 55 and over, and the campaign to keep the cheque is supported by groups ranging from Age UK to the Federation of Small Businesses. I understand that the Payments Council has announced the suspension of its proposal to abolish cheques, and I hope that it will take this petition as further support for that decision.

Following is the full text of the petition:

[The Petition of Dr H. Gilthorpe and others,

Declares that the Petitioners are profoundly concerned by the abolition of cheques.

The Petitioners therefore request that the House of Commons urges the Government to encourage the Payments Council to reverse the decision to abolish cheques and maintain them as a method of payment for the foreseeable future.

And the Petitioners remain, etc.]

[P000939]

EU Referendum

7.3 pm

Kate Hoey (Vauxhall) (Lab): I have great pleasure in bringing to the House the first of what I think will be many, many thousand petitions coming over the next few months on the importance of and need for a referendum on this country's membership of the European Union. As many Members know, there is a growing campaign on that across the country, and I am very pleased that I am able to bring along some signatures that were collected in a very short space of time at the weekend in my constituency and in Lambeth. I believe that we will be seeing a lot more of these petitions over the coming months, as people in this country finally wake up and start campaigning to get a referendum, which is greatly needed, on whether we should stay in or leave the European Union.

The petition states:

The Humble Petition of constituents from London and others,

Sheweth that the Petitioners believe that the Government should allow the British people a referendum on the United Kingdom's continued membership of the European Union.

Wherefore your Petitioners pray that your Honourable House urges the Government to bring forward legislative proposals to allow the British people a referendum on the United Kingdom's continued membership of the European Union.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000940]

Protection of Y Morfa (Prestatyn)

7.5 pm

Chris Ruane (Vale of Clwyd) (Lab): As a Welshman, Mr Deputy Speaker, you will be aware that y morfa is Welsh for marsh. Marshes are not ideal places to build, but nevertheless, some developers want to build on Y Morfa in Prestatyn, and the good people of Prestatyn are opposed to that.

The petition states:

The petition of residents of the Vale of Clwyd,

Declares that the petitioners support Chris Ruane MP's call for Y Morfa, Prestatyn, Denbighshire to be protected from development in perpetuity; that the Petitioners regard it as important as a wetland area and wildlife habitat and the role it plays in protecting Prestatyn from flooding; and further declares that the Petitioners support Prestatyn and District Environmental Association's proposal to have it designated green open space under the Queen Elizabeth II Jubilee Trust to mark the Queen's Diamond Jubilee.

The Petitioners therefore request that the House of Commons urges the Government to strengthen measures to protect wetlands, public open space and areas at risk of flooding from future development.

And the Petitioners remain, etc.

[P000942]

Development on the Riverside Gardens, Erith

7.6 pm

Mr Deputy Speaker (Mr Nigel Evans): Showing the generosity of spirit of the House, I call Ms Teresa Pearce.

Teresa Pearce (Erith and Thamesmead) (Lab): I am extremely grateful, Mr Deputy Speaker.

I wish to present a petition on behalf of the members of the Friends of Riverside Gardens Erith group and other residents of the London borough of Bexley who support its campaign. The petitioners oppose plans by Bexley council to sell part of the Riverside gardens to developers, so that a tower block of flats can be built on the only riverside green space in Erith. The petitioners want the Riverside gardens to be designated as a town green, so that the only

Thames riverside open space in Bexley is preserved, and they have my full support. The petition has 1,440 signatures.

The petition to the House of Commons states:

The Petition of residents of the London Borough of Bexley,

Declares that the petitioners oppose Bexley Council's Erith Western Gateway plan to allow for blocks of flats to be built on part of the Riverside Gardens in Erith; that the Riverside Gardens were gifted to the people of Erith by the former coal company William Cory and Son for use by the local community; and that the Riverside Gardens should be designated a Town Green and protected as an open green space.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Communities and Local Government to allow for greater protection for green areas of particular importance to local communities in the Localism Bill, as outlined in his Department's plan 2011-2015.

And the Petitioners remain, etc.

[P000938]

Offshore Gambling and the Horseracing Levy

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

7.8 pm

Matthew Hancock (West Suffolk) (Con): It is an honour and a privilege to speak in this House on any day, but on a day like today, when the voice of the House has called so loudly, it is an honour indeed.

I shall speak about an issue that is extremely important to a large part of my constituency: offshore gambling and its relationship with horse racing. When they talk about hacking in Newmarket, they tend to be talking about something rather different to what the House was talking about earlier, because Newmarket is the global centre and headquarters of horse racing. Five thousand people employed in the town get their jobs and livelihoods directly or indirectly from the sport. That means that one third of employment is linked to the sport.

This is not just an issue for Newmarket, however; it is an issue for our whole country. I want to set out the argument that over the past few years, funding for horse racing has been in crisis and that the problem has in part been that those who make a profit from the sport through gambling have gone offshore to escape contributing to the sport on which they rely. I then want to propose action that the Government should take and set this in the wider context of changes that need to be made. We need to put this sport, which gives so much excitement to so many people, back on an even keel so that its funding is fair and secured for years to come.

Claire Perry (Devizes) (Con): I am grateful to my hon. Friend for raising this subject again in the House. As he knows, my constituency has a number of racing stables. I was recently at Richard Hannon's stables in Herridge. It is not just the excitement that the sport brings; it is the employment that it provides for thousands of people across the country and the support that those people then bring to the rural community—to the shops and the pubs. It is an unbelievably important industry in so many of our constituencies. I commend my hon. Friend again for raising this important matter.

Matthew Hancock: My hon. Friend makes a typically passionate intervention. I am talking not just about the beauty and heritage of horse racing, but about jobs—not just those directly involved in the horse racing industry, but those in breeding, training and all the connected livelihoods that support the sport. I will give some examples of the problem. Over the past two or three years, funding of racing through the levy has declined rapidly.

Peter Aldous (Waveney) (Con): I congratulate my hon. Friend on securing this debate. Does he agree that the levy is long past its sell-by date, that all parties should try to come together to find an alternative and that that alternative, as far as offshore business is concerned, must be mandatory, not voluntary?

Matthew Hancock: My hon. Friend makes some important points. A future for the levy built on funding that is not onshore will be a system built like a house without foundations. Unless we deal with the problem of gambling going offshore before we tackle the wider

[Matthew Hancock]

problems of the levy, which is a broken system, we will not be able to build a strong and sustainable future for racing in this country. Over the past few years, the levy has fallen from £110 million to £59 million last year. We were delighted when the Minister announced that this year's levy would be between £75 million and £80 million, but now, halfway through the season, it looks as though the levy contributions will in fact be less than £60 million—lower than last year—and will be lower still next year. Crucially, that means that prize money in British races is falling fast.

George Freeman (Mid Norfolk) (Con): I pay tribute to my hon. Friend's leadership on this issue, and I would like to align my comments with those of my hon. Friend the Member for Devizes (Claire Perry). This sport is often referred to as the sport of kings—its more glamorous side is often the side seen by the public—but is it not also a vital part of the wider rural economy? As with so many other industries, its grass roots are essential to its continuation, and in fact the effect on prize money at the bottom is even more severe. Prizes are falling and small trainers and owners are struggling to maintain the industry.

Matthew Hancock: My hon. Friend makes an important contribution. Prize money is critical to the sport and its future, but it has fallen by almost a half in just the last two years. Also, betting duty—the tax that the Exchequer takes—has fallen from £420 million to £340 million, so it, too, is on the decline. I am a low-tax Tory, but I do not think that we were talking about that.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): What my hon. Friend is suggesting sounds like a good idea, but—he will have to forgive my ignorance here—can he assure me that it will not have an adverse effect on point-to-point racing, which is also a major contributor to local economies and provides great enjoyment to those who do not go to major race meetings?

Matthew Hancock: Absolutely, because almost all betting on point-to-point racing is on-course, and one cannot be both offshore and on-course at the same time. Point-to-point racing is a critical part of local and, especially, rural livelihoods. I know that my hon. Friend the Member for Hexham (Guy Opperman) would also like me to make the same point in his absence. He cannot be here because he is recovering from a serious illness, but he is an experienced point-to-point rider.

The levy, prize money and tax revenues are all falling sharply. Why is this? Over the past few years, more and more betting companies have moved offshore. Only two of our 19 biggest bookmakers are now onshore for tax and levy purposes. The previous Government did a deal with the gambling industry—they would not put the levy up, and in return the bookies would stay onshore—but the bookies have gone. I can understand their reason, because once one competitor has moved offshore and does not pay tax or the levy, the competitive pressure on others to move offshore becomes great. I have had many bookies come to me and say, "We would like a level playing field, because it isn't fair to be driven offshore by competitors who are not paying tax when you are." Today I would like to propose that instead of having what has essentially become a voluntary tax, we create that level playing field by ensuring that all gambling in the UK pays UK tax and the UK levy. Let us also make it a compulsory level playing field.

Richard Fuller (Bedford) (Con): I greatly appreciate my hon. Friend's giving way, as well as the contributions by my hon. Friends from rural constituencies. I represent an urban centre, and he is making some excellent points about levelling the playing field, because another consequence of the levy falling into disrepair has been onshore betting shops siting gambling machines in their premises, which play to people's addiction when they are gambling. It has had a detrimental impact on horse racing and played to addiction. Is that not another argument why his proposals are so important?

Matthew Hancock: It absolutely is, because bookies who go offshore for tax purposes also go offshore for regulatory purposes, and that means that all the high standards demanded by the British Horseracing Authority are not required of them. There have been instances of poor practice by bookmakers based elsewhere—for instance, in Gibraltar—who fall outside the regulatory practice in the UK. That is not necessarily because the bookie wanted to be outside the regulatory net; rather, they went because of the competitive pressure to reduce their tax and stop paying what had become a voluntary tax and a voluntary levy.

I come to the action that we need in the narrow sphere of offshore gambling. The case for action is strong, but what can we do? I propose a simple solution: we should make the requirement to pay tax and the levy in the UK part of a gambling licence. It is a simple change, but the consequence would be that no serious bookmaker could avoid what has become a voluntary tax, because they would be liable to the law of the land and would be unable to advertise in the UK. Indeed, they would also be unable to come to the UK, because what is currently tax avoidance would become tax evasion. My proposal is for a straightforward change that is being looked at in many other countries. Indeed, it has been enacted in Ireland, and a similar but bigger change has already been put through in France. In any other walk of life, we would not accept an industry choosing not to pay tax by moving headquarters offshore while continuing operations onshore in precisely the same way as before. Why should we allow the gambling industry to avoid tax in that way, when no one in this room could simply choose not to pay their income tax?

Claire Perry: I am sure that my hon. Friend is aware, given his wide experience of economic matters, that we have debates in the Chamber and elsewhere all the time on tax evasion in other industries. Indeed, the way in which we tax people whose main sphere of operation is in the UK, and the need to prevent the kind of tax-shifting mechanisms that so many companies use, form a big part of the political discussion. Is he saying that we need another simple mechanism to ensure that an industry that primarily gets its funding and its excitement from the UK market properly pays its taxes in that market?

Matthew Hancock: I agree wholeheartedly with my hon. Friend. We need to ensure that the foundations on which the funding of racing is built are strong. We can

then go on to deal with the wider task of replacing the broken levy system, which the racing industry, the gambling industry and the Government do not like, with a commercial arrangement that recognises the contribution that racing makes to the product on which gambling bases its bets.

I have spoken before in the Chamber about the need for a racing right, and I was delighted to see that that is one of the three proposals in the consultation put forward by the Minister. I urge him to push in that direction. Before he does so, however, it is critical that we solve the problem of offshore gambling. From the romance of the misty gallops on a Newmarket morning through to the excitement of the finishing post, racing is threaded through the history of our country and through the history and culture of my constituency. Let not its future be built on sand; instead—

Peter Aldous *rose—*

Matthew Hancock: Instead, I shall give way.

Peter Aldous: My hon. Friend has put forward his proposal very eloquently. Does he agree that any solution must specifically address the issue of betting exchanges?

Matthew Hancock: My hon. Friend raises an important question. Betting exchanges should of course be brought onshore as part of the creation of a level playing field. We must also address the question of what constitutes a bet, for tax and levy purposes. I strongly believe that when two people interact to make a bet, that is a bet. We should go forward on that basis.

Mr Laurence Robertson (Tewkesbury) (Con): I congratulate my hon. Friend on raising this issue. As he knows, I represent Cheltenham race course, which I would argue is the greatest race course on earth, especially in the national hunt field. He is absolutely right to say that the levy is broken and needs to be replaced. Does he agree that its replacement, whatever it might be, should be based on a commercial arrangement so that there can be no room for manoeuvring or slippage? Should it not be a purely commercial arrangement, perhaps between bookmakers and race courses? Does he have that in mind as the best way forward?

Matthew Hancock: The future of the levy should be based on a commercial arrangement so that the Government do not constantly have to get involved, but that commercial arrangement must be based on the sale of a right to bet on a race. Otherwise, racing will be putting on something for nothing, and the gambling industry will be making a profit—which I support—using the input from racing for which it is not paying. So long as such a commercial arrangement was based on a contract relating to the sale of a right, I would support it.

Resolving this issue is critical to ensuring that we can build the future of racing on a sustainable foundation, so that this vital sport can be fully and properly funded and the people who run it and work in it can know that it has a strong, long-term future. In the name of racing, and of all those whom I represent and who support me, I urge the Minister to act.

7.25 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): I join other colleagues in congratulating my hon. Friend the Member for West Suffolk (Matthew Hancock) on securing this debate on an important issue. It is a timely debate in that, as he mentioned, we are in the middle of a consultation process on how to move forward with the levy. My hon. Friend is also absolutely right to say that one of the major issues around the levy is the problem of offshore gambling. He has timed his debate beautifully; I shall try to address the points he raised.

I agree with everyone who has either spoken or intervened in the debate that it is common currency and commonly agreed that the levy as it currently stands is broken. It does not work. People on all sides—whether they are involved in the gambling industry or in racing—are pretty united in their criticism of the levy. The solutions they propose, however, are quite divergent, which is part of the political problem I face. I think that everyone is united at least in their critique of it. People often make three or four points, but they all revolve around the issue that my hon. Friend raised several times—that we need to create a level playing field. It is essential to do that.

The current levy fails to deliver a level playing field in a number of ways. It can be seen, first, in the comparison between onshore and offshore betting, as rightly and eloquently set out by my hon. Friend. I would not dream of disagreeing with his analysis of the problem; it is self-evidently true, and it is a problem that, I think, has grown steadily as the migration from onshore to offshore has taken place over the last five or more years.

The levy also fails to create a level playing field—in the minds of many, at least—between classic traditional bookmakers and betting exchanges. It would be wrong for the Government to try to play favourites between either of those two parts of the gambling industry. As a free-market Tory, I think that would be particularly wrong, but from the point of view of the levy, it is important to avoid any inbuilt bias one way or another between bookmakers or exchanges. At the moment, because these are two different kinds of businesses—they operate on a different kind of business model, with betting exchanges being much higher-volume and lower-margin organisations than traditional bookmakers—there is a great deal of disquiet about the absence of a level playing field between those different kinds of business within the gambling industry.

It would also be fair to say that the way in which the levy is currently set up and the levy board is required to operate is almost guaranteed to create an adversarial relationship between bookmaking or gambling in general and the racing industry. That cannot be helpful. If we could get the two sides to co-operate, we could achieve a unanimity of purpose in terms of trying to grow the total amount of interest in, and betting on, horse racing. With an adversarial relationship, it is extremely difficult for such productive discussions to take place.

Mr Andy Slaughter (Hammersmith) (Lab): I do not want to take much time out of the Minister's response, but many of my constituents work for Betfair, which is based in my constituency. I know that the Minister has said some warm words about Betfair, which is voluntarily paying £6 million to the levy and is on record as saying

[Mr Andy Slaughter]

that it believes the whole industry should contribute either to the levy or to whatever replaces it. I was a little concerned to hear the Minister say that there might be a distinction to be drawn between online firms and traditional bookmakers. It would be useful if he could put it on the record that the Government have no intention to make the customers of online betting firms such as Betfair subject to the levy, as some parts of the industry have indicated that they should be.

John Penrose: I am very happy to repeat my previous comments that it was extremely responsible, and extremely welcome, of Betfair to decide to make a voluntary contribution to the levy. That was a very responsible reaction from the company. I also echo the hon. Gentleman's remarks in that I too wish that more offshore organisations of any kind would follow Betfair's lead and behave in a similarly responsible fashion. As for whether people using betting exchanges should or should not pay the levy, that is precisely what we are in the middle of consulting on, so it would be rather premature for me to prejudge that. I know that organisations like Betfair and other betting exchanges are making strong representations as part of the consultation, which will, of course, be listened to extremely carefully for precisely that reason.

As my hon. Friend the Member for West Suffolk mentioned, we are in the middle of a consultation. We have ended a pre-consultation and are now digesting the results before starting an official consultation on the levy, which will be more broadly based. I shall quickly sketch out the three options under consideration.

The first option would involve relatively little change to the current levy, but would have the important benefit of removing politicians from the decision-making process. I cannot claim that that option offers to fix some of the other issues, such as that of offshore betting, but the requirement for extensive political lobbying from both sides would be reduced. That would be a step, although only a partial one, in the right direction. The suggestion has drawn relatively limited comments and contributions from both sides of the debate, but it is at least an option.

The second option, which I think my hon. Friend mentioned in passing, is effectively a voluntary or contractual arrangement between gambling and horse racing, along the lines mentioned by my hon. Friend the Member for Tewkesbury (Mr Robertson), who represents Cheltenham race course, an important part of the jump racing organisation. That option would involve a contractual arrangement between racing and the gambling industry, in which politicians would, by definition, have no direct involvement. We might help to broker the discussions leading to it, but it would be a private contractual deal, although the Gambling Commission might then require both sides to be party to the arrangement in order to be granted a gambling licence. That would provide back-up.

The third option on which we are consulting is the betting right, or racing right, which my hon. Friend the Member for West Suffolk suggested. That option is widely desired in the racing industry, although for perhaps obvious reasons the gambling industry is a great deal more concerned about it, and it has been sketching out the reasons for that concern in some detail, as is only fair and proper.

I want to place on record that, as part of our pre-consultation arrangements, the Association of British Bookmakers has proposed an interesting fourth option, which we shall unveil in due course. It would be improper to breach the association's confidence in that regard, but we will publish its proposal as another alternative. I mention that purely to illustrate that there is a great deal of involvement, engagement and creative thinking on all sides about how to square the difficult circle of fixing the levy in a way that will be sustainable and stable, that will provide a source of income that is fair to both the gambling industry and the racing industry, and that will be a stable solution for a long time to come—stable not only economically but politically, so that it will not require endless political intervention that would be regarded by other sports as alien and unexpected.

On my hon. Friend's point about offshore gambling, I am delighted to be able to provide some breaking news. Tomorrow, a written ministerial statement will be tabled in the House—I trust that I am not breaking parliamentary rules by pre-announcing it in the House, as I cannot be accused of ignoring the House of Commons. I am delighted to announce that we intend to move, as fast as possible, towards a system that will, to a great extent, fix the problem of offshore betting. We will switch away from the current system, which has driven many bookmakers offshore for entirely understandable and logical commercial reasons, to one based on point of consumption rather than point of production. That rather arcane phrase means that anybody based anywhere in the world who wants to sell gambling services of any kind—this applies more broadly than to horse race betting alone—to any consumer of gambling services based in the UK, will in future have to have a Gambling Commission licence.

That gives rise to a number of important changes in the current arrangements. As I said earlier, it will apply not just to horse race betting—although it will obviously have implications for that—but to a far broader range of activities. It will apply to online poker, online roulette, and all the other gambling services that are provided. What is vital is that it will increase the amount of consumer protection for any punters in the United Kingdom who use those services. At present, those who use an online gambling service provided by a UK-based company already regulated by the Gambling Commission can be pretty sure that it is a reputable company which is properly looked after, and that they are therefore protected to the full extent of the law. A provider based offshore may also be regulated by a reputable jurisdiction, but it may not be. It is extremely hard to know where some of the websites are based, and it is just possible that someone might find that he was gambling with the equivalent of Arthur Daley Gambling, based off Tripoli, and that as a result he had very little consumer protection. We aim to fix that.

Matthew Hancock: I warmly welcome the Minister's announcement, which will come as a huge relief to the racing world. I am also surprised and delighted by the speed with which I have received a response in policy terms, and by the Minister's recognition of the pressure that exists. Will he tell us how much he thinks the reform will raise, and what impact it will have on the levy?

John Penrose: I am afraid that I cannot do that, much as I would like to, for a couple of reasons. We are dealing first with consumer protection, and reform of the horse race betting levy will be a subsidiary issue. However, as my hon. Friend knows, we have stated explicitly that some of the three options in our pre-consultation document will require primary legislation in order to be feasible, and that will open the door to their feasibility.

The change that we propose will have other benefits. It will not just improve consumer protection; it will also help to level the regulatory playing field in the way that my hon. Friend has requested. It will improve our ability to deal with betting integrity, because it will be easier to capture information about potentially suspicious betting patterns and refer it to the relevant authorities as required.

7.38 pm

House adjourned without Question put (Standing Order No. 9(7)).

Deferred Divisions

EQUALITY

That the draft Equality Act 2010 (Work on Ships and Hovercraft) Regulations 2011, which were laid before this House on 13 May, be approved.

The House divided: Ayes 316, Noes 233.

Division No. 323]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Gauyling, rh Chris
Green, Damian
Griffiths, Andrew
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hermon, Lady
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian

Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, rh Keith
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davis, rh Mr David
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan

Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Wright, David
Wright, Mr Iain

Question accordingly agreed to.

That the draft Equality Act 2010 (Specific Duties) Regulations 2011, which were laid before this House on 27 Jun, be approved.

The House divided: Ayes 316, Noes 230.

Division No. 324]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Griffiths, Andrew
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hermon, Lady
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, rh Mr Elfyn
Long, Naomi
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee

Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, rh Keith
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Cash, Mr William
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
Davis, rh Mr David
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raab, Mr Dominic
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack

Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Question accordingly agreed to.

House of Commons

Thursday 14 July 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

TRANSPORT FOR LONDON (SUPPLEMENTAL TOLL PROVISIONS) [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Wednesday 7 September.

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Open University

1. **Iain Stewart** (Milton Keynes South) (Con): When he next plans to meet the vice-chancellor of the Open university. [66016]

The Minister for Universities and Science (Mr David Willetts): I meet representatives of the Open university regularly. My most recent meeting, covering a range of issues, took place earlier this week. The Open university has, of course, particularly welcomed the extension of loans to part-time students, which will benefit up to 175,000 students overall, including many from the Open university.

Iain Stewart: Some 20% of the newest undergraduates at the Open university come from the 25% most disadvantaged communities in the country. Does my right hon. Friend agree that the widening participation allocation is crucial to delivering results and will be essential to widening access in the future?

Mr Willetts: Yes. My hon. Friend refers to something that, in many ways, is the equivalent of the pupil premium in schools. The Higher Education Funding Council for England is now consulting on how best to deliver the money in future, but we have made it clear that it is very important to reflect the additional costs that under-represented groups face.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Open university the only happy university at the moment? I note the 10% increase in the number of its students, but what about the rest? Most of the vice-chancellors I talk to are very unhappy about the destabilisation of the sector and cannot see their way forward.

Mr Willetts: The hon. Gentleman does higher education a great disservice. In my experience, vice-chancellors are looking forward to the challenge of attracting students and know that one in four students will be bringing their money to the university that they choose, as we push back the quotas. They also see that in our White Paper we envisage universities having 10% more cash coming to them in four years' time than they have now.

Mr Speaker: May I just remind the House that the question is specifically about the Open university? I know that that is what the hon. Gentleman on the Opposition Front Bench will be asking his question about.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I am always grateful for your helpful advice, Mr Speaker.

As the Minister reflects on his important meeting with the vice-chancellor of the Open university this week and as he worries, too, about the number of would-be students set to be turned away from university this summer on his watch, can he tell the House which of the following he is most proud of? Is it the decisions that have already been taken by the Government to axe 24,000 student places? Is it his plan to axe another 20,000 places at quality universities in order to fund an auction to the lowest bidder? Or is it his claim that universities charging the full £9,000 would be the exception?

Mr Willetts: The hon. Gentleman is in danger of becoming the mad axeman. There are no 24,000 places being axed—he has invented that figure. What we have been able to do, even in tough times and even when we are reducing spending across the board, is broadly maintain the number of student places.

Green Investment

2. **Anas Sarwar** (Glasgow Central) (Lab): What assessment he has made of the effects on growth of green investment; and if he will make a statement. [66017]

4. **Paul Flynn** (Newport West) (Lab): What assessment he has made of the effects on growth of green investment; and if he will make a statement. [66019]

The Secretary of State for Business, Innovation and Skills (Vince Cable): In the transformation to a green economy, low-carbon industries will grow, while other sectors will face significant challenges from increased energy prices. There could be significant transitional costs in the near term, but those could be manageable, with targeted Government action. We have committed to announcing in the autumn a package of measures to reduce the impact of Government policy on electricity costs for energy-intensive manufacturers whose international competitiveness is most affected by our energy and climate change policies.

Anas Sarwar: Ernst and Young's latest survey found that only 8% of renewable energy professionals said that they were optimistic that the Government would establish the conditions for success in the next 12 months and that only 14% of those surveyed expected significant growth and new jobs, which is a decrease from last November's figure of 65%. Is it not clear that the Government are undermining confidence in growth in this important sector and are costing real jobs at a difficult time for our economy?

Vince Cable: The renewable energy sector will, of course, be given confidence and clarity as a result of the electricity market review, which my colleague the Secretary of State for Energy and Climate Change launched this week, and it will be given further confidence by the investments of the green investment bank, which will take shape in the coming months.

Paul Flynn: Why have the Government inexplicably cut investment in tidal power by 50%, given that the immense power of the tide in my constituency is the second greatest in the world? We have this vast resource, with huge potential. It is green and inexhaustible, yet the Government refuse to invest in it. Should they not give the powers to the Welsh Assembly and the Scottish Parliament, which thoroughly understand the potential of tidal power?

Vince Cable: Tidal power may well have an important role to play in the long-term development of renewables and that is why it is one of the components of the new technology innovation centre that will focus on renewable energy.

Simon Wright (Norwich South) (LD): To unlock the full growth potential of the green investment bank, the UK will need to secure state aid approval. What progress is the Secretary of State's Department making to obtain that approval and to ensure that the legislation is introduced as soon as possible?

Vince Cable: The proposals are at such a stage that they are being referred to the European Union for state aid approval. Legislation will follow, but in the meantime the Department will be able to make available loans and other forms of investment under the green investment bank, as we originally envisaged.

Ian Lucas (Wrexham) (Lab): Clear regulatory frameworks are essential to facilitate green investment. The construction industry, which is flat on its back at the moment because of the Government's policy, is desperate to take forward the green deal but it does not know the rules of the game. When will it have some clarity from the Government to facilitate investment and build jobs and growth?

Vince Cable: The answer to that question will be included in the green economy road map that will be announced at the end of this month. It involves a process of collaboration across Government by my Department, the Department of Energy and Climate Change and the Department for Environment, Food and Rural Affairs in discussion with business and trade unions that will provide a consensus framework within which such decisions can be pursued.

Regulation (EU Directives)

3. **Mr Laurence Robertson** (Tewkesbury) (Con): What progress he has made on reducing regulatory burdens on business arising from EU directives. [66018]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I am pleased to have this opportunity to remind the House of our recent successes. The recent political agreement to exempt micro-enterprises from onerous accounting and financial reporting obligations should save British companies between £150 million and £300 million a year. Thanks to the UK's persistent efforts, a further commitment from the Commission to introduce proposals to exempt micros from new and existing legislation was also secured at the European Council in June.

Mr Laurence Robertson: I thank the Minister for that response. Is he aware of the EU waste electrical and electronic equipment directive, which requires all showers that are not fitted to be registered through a costly system, whereas those that are considered to be fitted need not be registered? There is a great debate about what constitutes a fitted shower. Such nonsense is not helping British business or jobs. Is that really why we put so much money into the EU?

Mr Davey: I am delighted to be able to tell the House that I am now aware of that issue, because I have answered the hon. Gentleman's written question on it. He is right that the scope of the EU waste electrical and electronic equipment directive has been problematic since its adoption at the end of 2002. For example, there is no reference in the directive to exemption for fixed installations, but the European Commission's guidance does allow for one in its interpretation of article 2(1). European negotiations on a recast of the regional directive are under way and we hope for greater clarity on that and other scope issues once a new directive is agreed.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I thank my hon. Friend for his answer, but will he also assure me that he will do all he can to reduce any home-grown regulatory burden that might crop up, especially for small and micro-businesses?

Mr Davey: My hon. Friend will be delighted to know that in the Chancellor's Budget we announced a three-year moratorium on regulations for micros. We have also set up the red tape challenge. We are dealing not just with future regulation but with the stock of regulation, an exercise that was long overdue.

Engineering

5. **Mr John Spellar** (Warley) (Lab): What steps he has taken to support the engineering industry; and if he will make a statement. [66020]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): The Government are actively supporting engineering and manufacturing by boosting innovation, increasing business investment, improving skills and encouraging exports.

Mr Spellar: I thank the Minister for the departmental mission statement, but the reality is that the Thameslink contract is being given to Siemens without even getting the company to build in the UK. The Minister cannot hide behind EU rules, because the French buy only from France and the Germans buy only from Germany—and the last time I looked they were in the EU. Will he stand up for British industry at last, meet the Transport Secretary before the contract is signed and ensure that we keep train building in the UK at its historic home in Derby?

Mr Prisk: We are concerned for those workers in Derby and that is why we have already taken prompt action. I welcome the support of local Members, but I say to the right hon. Gentleman that the contract's tendering rules were set in 2008 and you were responsible as a party for the first two years of the contract. I also remind the right hon. Gentleman that 1.7 million jobs were lost in manufacturing under the previous Labour Government.

Mr Speaker: Order. I remind the Minister that I was not responsible for any such contract at all. I am entirely innocent in the matter.

Gavin Williamson (South Staffordshire) (Con): In South Staffordshire in the past year we have had considerable success in attracting engineering manufacturing jobs, but I am constantly being told that we do not have enough engineering graduates coming out of colleges and universities after 13 years of Labour government. What are we doing to rectify that?

Mr Prisk: Absolutely right—what we, rather than yourself, Mr Speaker, are doing about it is making sure that we have apprenticeships in place and that we put vocational education, which was neglected by the Labour party, back on a proper footing. We are also making sure that people are able to transfer between engineering firms. There is good news to be told.

Local Enterprise Partnerships

6. **Tony Baldry** (Banbury) (Con): What progress he has made on local enterprise partnerships; and if he will make a statement. [66021]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): Both the number and activity of local enterprise partnerships is continuing to rise. Dorset is the latest to be cleared, bringing the total to 36—or 97% of the country. Of those, 18 now have full board recognition and have begun their work.

Tony Baldry: I am sorry to ask my hon. Friend what I suspect will be perceived as an unhelpful question, but local enterprise partnerships are going to have to raise their game seriously if they are to have any traction or impact. I am sorry to have to report to him that, so far, they seem to have no traction or impact in my area of the country.

Mr Prisk: I am disappointed by my hon. Friend's comments. I have visited 25 of the 36 LEPs and they are already setting up boards to make sure that they are ready to involve small businesses. Now they are going to be able to lead on enterprise zones, lead on the regional growth fund and make sure that we strip away some of the local regulatory problems on the ground, which I am afraid the Labour party did nothing about.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): As LEPs are business-driven, they could have businesses working with local authorities and local education providers to provide a much better and more localised match of skills needs and skills provision. Will the Minister say how many LEPs are taking that responsibility on and whether any examples of best practice will be rolled out with other LEPs?

Mr Prisk: It is encouraging that almost all the LEPs that I have visited have demonstrated that they are involving FE colleges in their programmes. The hon. Gentleman is right that that is crucial. They are ideally suited to get FE colleges producing what local businesses need; that is one of the crucial projects that at least half a dozen of them have already begun.

Andrew Percy (Brigg and Goole) (Con): The pan-Humber local enterprise partnership is now up and running and it has recently put in a bid for a local enterprise zone across the Humber, which will be based around the renewables sector. As a result, the area covered by that potential enterprise zone is quite large. Will the Minister give an assurance that its size—and the need for it to be of that size given that it will be structured around the renewable energy industry—will be taken into account?

Mr Prisk: Absolutely; the key issue is the added value. The case will be judged on such merit and we will not seek to preclude anything on, perhaps, spurious grounds.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): According to recent OECD research, the single most important factor in regional growth is innovation, but LEPs do not even have responsibility for that, let alone any money, and it is not even mentioned in the regional growth fund criteria. The £440 million that the regional development agencies invested annually in regional innovation is gone, the Technology Strategy Board's new strategy makes no reference to it and in any case it still does not have a budget for next year. I know that the Secretary of State enjoys chaotic Maoism, but does regional growth not merit a more coherent approach?

Mr Prisk: The hon. Lady is ignoring the fact that we have made sure that the science budget is retained and strengthened, and that we are putting £200 million into technology and innovation centres. When we look at individual schemes and the regional growth fund, we see that £2 million is being put into 3D printing, which is a vital technology for this country—we lead on it and we are investing in it.

Azerbaijan (Investment)

7. **Mr Mark Field** (Cities of London and Westminster) (Con): How much outward investment to Azerbaijan was supported by his Department in (a) 2009-10 and (b) 2010-11. [R] [66022]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I would like to thank my hon. Friend for the work he is doing as chairman of the all-party parliamentary group on Azerbaijan to develop the relationship between our two countries. I am pleased to say that more than 100 exporting and investing companies have been assisted in Azerbaijan through UK Trade & Investment in the past two financial years alone.

Mr Field: I thank the Minister for his answer. As he will be well aware, over those past two years there has been compound double-digit growth in Azerbaijan. Is he convinced that his Department is doing enough in two specific areas—the fledgling financial services industry in Azerbaijan and infrastructure investment, on which our companies could add a lot in that part of the world?

Mr Davey: Across the Government, our new approach to commercial diplomacy is working in all those areas. My right hon. Friend the Minister for Europe visited Baku last year and took with him a number of companies involved in the infrastructure project. I am sure that my hon. Friend will agree that the British music industry will take all the possible opportunities presented by the Eurovision song contest being held in Azerbaijan next year, and that they are not "Running Scared".

Green Investment Bank

8. **David Mowat** (Warrington South) (Con): Which locations he is considering for the headquarters of the green investment bank. [66023]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): Ministers will consider all submitted business cases for a potential location for the green investment bank. To date, London, Edinburgh and Bristol have made representations. However, others might wish to do so, and once state aid approval is granted, Ministers will choose a location that best enables the bank to fulfil its mission.

David Mowat: I thank the Minister for that reply. When the Secretary of State announced the bank in May, it was stated that there was a shortlist of the three locations that have been mentioned, two of which are capital cities. Further to the reply today, can the Minister confirm that the selection process will be based on rigorous and transparent criteria and that other towns and cities will be judged on their merits?

Mr Prisk: Absolutely—those three are merely early applicants, not a shortlist. All proposals will be considered on a fair and open basis.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I am sure that the Minister will understand the strong case for the bank to be based in Edinburgh, but will he confirm that the bank will not end up just taking up the cuts made elsewhere in Government expenditure? I was concerned by the earlier suggestion that wave power could be funded by the green investment bank. I hope that the bank will provide new, additional funding for greener industries and not just pick up slack elsewhere.

Mr Prisk: Indeed; we have trebled the amount that the Labour party originally proposed to £3 billion. So, yes, additional funds are very much in place.

Stephen Williams (Bristol West) (LD): Does my hon. Friend agree that, ideally, the home of the green investment bank will have a mix of commercial and ethical banking, a strong network of professional services firms, green non-governmental organisations, charities and sustainable businesses? That strongly suggests that the city of Bristol is the ideal home for the green investment bank.

Mr Prisk: We duly note that excellent representation.

Lindsay Roy (Glenrothes) (Lab): Will the Minister identify the key criteria in the selection process for the green investment bank location?

Mr Prisk: I have just set out that, in fact, the process is under way for the rules and criteria. The location, which is obviously the issue at hand, is one that we will bear in mind when we see the business cases. The key issue is what will deliver the best result for the bank itself.

Apprenticeships

9. **Henry Smith** (Crawley) (Con): How many people in (a) Crawley constituency, (b) the south-east and (c) England have started an apprenticeship in 2011. [66024]

The Secretary of State for Business, Innovation and Skills (Vince Cable): In the first three quarters of this academic year, 550 apprenticeships were started in the Crawley constituency, 41,890 started in the south-east region and 326,700 in England. Overall, that is 114,000 more than last year—more than a 50% increase. By the end of this spending review, there will be funding for 250,000 more adult apprenticeships than were planned by the previous Government.

Henry Smith: I am grateful to the Secretary of State for that answer. Will he join me in congratulating Central Sussex college in my constituency on administering 900 apprenticeship places and Virgin Atlantic Airways on creating 42 highly skilled engineering apprenticeship places in my constituency? Does that not prove that further education and the commercial sector working together can improve the offer for apprenticeships?

Vince Cable: Yes, indeed; it does exactly that. My hon. Friend's constituency can demonstrate that this is a real success story. There has been a 62% increase in such places in Crawley over the past year. I certainly welcome the news from Virgin Atlantic Airways about engineering apprenticeships. We have had massive shortages in this country at intermediate level and in graduate and postgraduate engineers, and we really now must buckle down to increasing the supply in this and other ways.

Space Sector

10. **Mr Steve Brine** (Winchester) (Con): What his policy is on future space travel and exploration; and if he will make a statement. [66025]

The Minister for Universities and Science (Mr David Willetts): My hon. Friend's question is very topical: this morning, a statue of Yuri Gagarin is being unveiled just a few hundred yards from here. It commemorates the first human space flight 50 years ago. I am sure that Members on both sides of the House will wish to send their best wishes to Yuri Gagarin's daughter, whom I will meet later today.

In the growth review, we set out our support for innovative forms of space travel, such as Virgin Galactic, that involve British entrepreneurs and British inventors.

Mr Brine: I thank the Minister for that. He will remember the exciting HOTOL—horizontal take-off and landing—project in the 1980s, which certainly put a spring in the step of the British space industry. The single-stage-to-orbit Skylon programme looks equally promising today. I hear what the Minister says—and I send my best wishes, too—but I wonder what role an ambitious Government see for the UK in future human space travel.

Mr Willetts: I have visited the company to which my hon. Friend refers, and he mentions an excellent British technology that is securing a lot of private backing. The future of space travel rests much more with commercial businesses now, but I look forward to the day when Major Tim Peake, the British astronaut, makes it into space; I regularly raise the issue of that programme with the head of the European Space Agency.

Stephen Hammond (Wimbledon) (Con): Would the Minister expand on how the UK might increase its participation in the European space business development plans?

Mr Willetts: We have specifically identified the space sector in the growth review, and we are committed to a major role for British business in that. Indeed, only last week we celebrated a £110 million satellite order.

Apprenticeships

11. **Jeremy Lefroy** (Stafford) (Con): How many people in (a) Stafford constituency, (b) the west midlands and (c) England have started an apprenticeship in 2011. [66027]

The Secretary of State for Business, Innovation and Skills (Vince Cable): In the first three quarters of this academic year, there have been 570 apprenticeships started in the Stafford constituency, 38,350 started in the west midlands, and 326,700 started in England.

Jeremy Lefroy: I thank the Secretary of State for his response, and I congratulate him, and the Minister for Further Education, Skills and Lifelong Learning, who is not in his place, on their achievements in delivering such strong growth in apprenticeships. Quality is also important. Will the Secretary of State share with the House the steps that his Department will take to monitor the quality of apprenticeships, and the career progression of apprentices once they complete them?

Vince Cable: The hon. Gentleman is absolutely right that quality is important as well as quantity, but it is important that the quality assurance is proportionate and does not result in excessive bureaucracy. The best evidence that apprenticeships give value for money is in the results. Typically, employers get payback in three years. An intermediate level of skill, level 2, results in, I think, £73,000 more over a lifetime. A level 3 qualification produces £105,000 added income over a lifetime, and the Government get £40 back for every £1 that they spend on apprenticeships.

Richard Burden (Birmingham, Northfield) (Lab): On the future of apprentices, has the Secretary of State yet had a chance to look at the new report from the all-party parliamentary motor group about an industry that supports 700,000 jobs and contributes £1 billion towards research and development? One of the conclusions of the report, to which Ministers in the Department have contributed through discussion, is about the skills gap in the automotive industry. The Secretary of State has referred to the skills gap in engineering before; what practical steps can he take to ensure that the issue is addressed?

Vince Cable: The hon. Gentleman is right in the premise of his question; the automotive industry is enormously important. As he knows, some very welcome investment is taking place in the west midlands, the north-east, Luton and elsewhere. Indeed, I have been to Japan, Detroit and elsewhere to encourage that investment. He is right also that potential investors stress the need for skills. A great deal of investment is now taking place; specifically, there are the 10,000 places for advanced apprenticeships, which will be directed specifically to small and medium-sized enterprises in the supply chain of industries such as the vehicle industry.

Employment Law

12. **Julian Smith** (Skipton and Ripon) (Con): What progress his Department has made on its employment law review. [66028]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): As part of the review, we have consulted on employment tribunals and unfair dismissal, launched the employer's charter, commissioned reviews of sickness absence and of compliance and enforcement regimes, repealed the default retirement age, introduced a moratorium for micro-businesses and start-ups, and announced that we will not proceed with the dual discrimination provision in the Equality Act 2010. We have announced future work priorities for the review, and the red tape challenge will also consider cross-Government employment-related regulations.

Julian Smith: I thank the Minister for that answer. I am really worried about the lack of engagement with the review by other Departments. Does he agree that the Department for Work and Pensions and the Home Office also impose significant burdens on employers? May I encourage the Minister to throw his weight around with those other Departments? We have an urgent need for jobs.

Mr Davey: I assure my hon. Friend that all Departments with responsibility for employment-related legislation are contributing to the review; it is important that they

should, if the review is to have a real impact on burdens on business. I will talk to colleagues in other Departments to ensure that they are taking a clear role in it, as I am sure that they will.

Nia Griffith (Llanelli) (Lab): Given that the well respected Chartered Institute of Personnel and Development considers that the Government are

"justified in seeking to reform procedures to resolve workplace disputes",

but suggests that

"the decision to increase the qualifying period for rights against unfair dismissal is questionable"

and could be

"potentially harmful to the long-term performance of the UK economy",

will the Government stop using a tax on employment rights as a pathetic and unproven substitute for any real growth strategy and drop plans to increase from one to two years the qualifying time for unfair dismissal?

Mr Davey: The hon. Lady is right to quote the Chartered Institute of Personnel and Development on this issue, because it supports much of the coalition Government's better regulation agenda in this area. She will know that the unfair dismissal period is out to consultation. A number of responses are very much in favour of the proposal, but she would not expect me to prejudge the consultation today.

Apprenticeships

13. **Nadine Dorries** (Mid Bedfordshire) (Con): How many people in (a) Mid Bedfordshire constituency, (b) the south-east midlands and (c) England have started an apprenticeship in 2011. [66029]

The Secretary of State for Business, Innovation and Skills (Vince Cable): I am beginning to appreciate that there is a lot of heavy lifting involved in being acting Minister responsible for skills.

In the first three quarters of this academic year, 420 apprenticeships have been started in the Mid Bedfordshire constituency. It is not possible to quantify the number of apprenticeships started in the south-east midlands region, but 28,230 have been started in the east of England.

Nadine Dorries: In 2013, Centre Parcs will open in my constituency, and I have already turned the first sod of earth. It will need a wide variety of employees, from accountants, HR professionals and medical staff to caterers, landscape gardeners and beauticians, all of whom require skills. What will the Government do further to relieve the burden on employers who wish to take on apprentices, so that we can continue with the impressive trend that we have started already?

Vince Cable: To reduce what is unfortunately the substantial amount of bureaucracy in this area, we are greatly simplifying the number of funding channels and the number of institutions and introducing outcome-based payments for large employers that are training providers. The point behind the hon. Lady's question is that apprenticeships and vocational training are a great success story for employers, who are beginning to see their real advantages, for young people, who see benefits for their own careers, and for the Government, who have prioritised them and seen the results.

Nick de Bois (Enfield North) (Con): Does the Secretary of State welcome the apprenticeship initiative led by Johnson Matthey and announced this week in my constituency of 100 days for 100 new apprenticeships, the launch of which I attended, and will he recommend it to other Members as a course of action to provide support for the local economy and local new apprenticeships?

Vince Cable: I would strongly recommend it. I believe that 24 such schemes have already been launched and more than 5,000 apprenticeships have been generated in that way. I congratulate the hon. Gentleman on his role in promoting it in his constituency and compliment the company, whose headquarters in Royston I visited a few weeks ago. It is a superb and innovative British manufacturing company that is exporting most of its production and investing in skills for the long term.

Women (Corporate Boards)

14. **Claire Perry** (Devizes) (Con): What recent progress his Department has made on implementing the recommendations of the report of Lord Davies on female representation on corporate boards. [66030]

The Secretary of State for Business, Innovation and Skills (Vince Cable): Lord Davies's report rightly challenges directors and investors to increase the number of women on boards. The report is already having an impact on FTSE 100 companies; some 21% of new board members appointed since February are women, up from 13% last year, but there is scope to do more. I fully support this initiative and will shortly consult on requiring quoted companies to publish the proportion of female directors and senior executives in their organisations.

Claire Perry: I thank my right hon. Friend for that encouraging reply. I am sure that he is very aware of the large body of evidence, including Lord Davies's report, that associates a higher number of women on corporate boards with higher stock price performance and corporate returns. If that is right for the private sector, it should be right for the public sector. What is he doing to encourage the number of women in financial regulation posts in particular, and could we have a female head of the green investment bank?

Vince Cable: The starting point of the hon. Lady's question is absolutely right, and I congratulate her on the effective pressure she brings to bear on the issue. Her central point is that having more women on boards has nothing to do with political correctness; it is about sensible economics, good business and tapping into the potential that women can bring. The force of her argument is reinforced by the statement made at the beginning of the week by leading institutional investors that they will punish companies that do not make progress in this area. I will certainly receive her CV for the green investment bank if that is what she has in mind.

Construction Industry

15. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent assessment he has made of the state of the construction industry. [66031]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): For three years now, construction has faced very tough times after one of the sharpest recessions ever, but there are encouraging signs. Output in May rose by 0.4%, with increases in new work for most of the construction subsectors. We have published the national infrastructure plan, for the first time in this country, with £200 billion of investment over the next five years.

Diana Johnson: The purchasing managers index for construction shows that in June employment in the UK construction industry fell at its fastest rate since January's VAT rise, and cuts in social housing investment, particularly in areas such as mine in Hull, are not helping. Would not a temporary VAT cut help to protect these skilled construction jobs at this difficult time?

Mr Prisk: I am fascinated to see this re-presented to the House. As I recall, when the opportunity came for Labour Members to vote on it, they ducked it—they abstained. It is a shame that they do not have the courage of their convictions.

Manufacturing

16. **Chris White** (Warwick and Leamington) (Con): What steps he is taking to promote manufacturing. [66032]

The Secretary of State for Business, Innovation and Skills (Vince Cable): Recent initiatives include a high-value manufacturing, technology and innovation centre, and a financial commitment that by the end of this spending review there will be funding for 250,000 more adult apprenticeships across all sectors than were planned by the previous Government, including 10,000 higher apprenticeships. We have also launched the "see inside manufacturing" initiative to promote and showcase manufacturing careers to young people.

Chris White: Given the success of the "Made By Britain" exhibition last week, will the Secretary of State join me in congratulating the businesses showcased at the event and give an assurance that the Government will continue to support such initiatives in the years ahead?

Vince Cable: Yes, it is a brilliantly successful initiative. I congratulate the hon. Gentleman and the hon. Member for Huddersfield (Mr Sheerman) on the efforts that they put into developing it, and all the hon. Members who have contributed—50 so far, I think, and I hope others will do so. We shall have a great virtual exhibition next year for the Olympics.

Mr Geoffrey Robinson (Coventry North West) (Lab): Is the Minister aware that one of the most useful things he could do to promote British manufacturing would be to get the banks together to come up with a financing package for the Bombardier contract that matched the Siemens one? That is directly within his responsibilities, and I think that the package is now being negotiated. It would be something that the banks could do, for once, to back British industry instead of filling their own pockets.

Vince Cable: The Minister of State, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), has already explained the background to the Bombardier contract. It was confined to very narrow tendering terms of reference that, in the circumstances, we could not avoid, but the hon. Gentleman is absolutely right to focus on how public procurement can be used, within European rules, to support British industry. I have taken an initiative with the Secretary of State for Transport to try to make sure that, in future, tenders do reflect that priority.

Pauline Latham (Mid Derbyshire) (Con): Will the Secretary of State meet me and members of the Derby and Derbyshire Rail Forum to talk about how we can help those who are made redundant from Bombardier, how Bombardier can move forward and get further contracts, and how we can make sure that procurement rules benefit the people of this country as well as those abroad?

Vince Cable: The hon. Lady is absolutely right about the procurement rules. As I said, we are taking an initiative to try to address an anomaly whereby Britain appears to be uniquely open in relation to other European countries. Regarding the work force who are, sadly, affected by these redundancies, I have already announced the launching of a taskforce in Derby led by a former senior executive of Rolls-Royce to try to mobilise assistance.

Mr John Denham (Southampton, Itchen) (Lab): At the previous Business, Innovation and Skills questions, the House united to welcome the confidence shown by Japanese, German and Indian companies in UK manufacturing through their investment in Nissan, BMW and Jaguar Land Rover, so is it not a tragedy that in the past few weeks this British Government have put their confidence in German manufacturing to provide our Thameslink trains? Will the Minister confirm Network Rail's estimate that in addition to Crossrail, between 12% and 25% of the 12,000 trains in Britain will need replacing over the next 10 years? What is the Secretary of State doing to ensure that there is a UK manufacturer capable of designing, building and winning orders for those trains?

Vince Cable: I am surprised that the shadow Secretary of State keeps returning to this theme. I have to repeat the point that my colleague, the Secretary of State for Transport, inherited a tendering process defined in law, which, if abused, is open to judicial review and which made it absolutely imperative for him to conduct the order in the way he did. If it had been cast differently, there could have been a different outcome. We must learn from that experience. The shadow Secretary of State is absolutely right that it is in the British national interest that we have a capacity to produce locomotive equipment in this country. There will of course be a significant increase in that capacity in the north-east with the Hitachi project, but we must also ensure that future tenders for the contracts that he describes are properly constructed, which they were not in 2008.

Mr Denham: That was not a strategy for the future of the UK rail manufacturing industry. Does the Secretary of State not know that the factory in the north-east is there purely and simply because Labour Ministers were prepared to challenge a procurement process and get the right deal for UK manufacturing? Will he confirm that the Department for Transport could have run a separate funding competition? Will he confirm that Siemens still does not have a proven energy efficient bogie system for the new trains, while Bombardier does? Is it not the truth that these and other issues could have been used to get the best deal for UK manufacturing? Does he realise that it is not good enough just to blame the last lot and do nothing when it is his responsibility to ensure that we have a UK rail manufacturing industry to win orders?

Vince Cable *rose—*

Mr Speaker: Order. I know that the Secretary of State will provide a single and pithy reply to those four questions.

Vince Cable: The shadow Secretary of State knows perfectly well that the decision to reopen the contract in relation to Hitachi was not about the tender but about the whole project. We cannot do that in the case of Thameslink—a project that was already 10 years late.

Local Enterprise Partnerships

17. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What assessment he has made of the potential role of further education colleges in the work of local enterprise partnerships. [66033]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I am pleased to report that further education colleges are already playing a role with local enterprise partnerships in the north-east and elsewhere. In Yorkshire, the Leeds city region held its first skills conference with the West Yorkshire consortium of colleges and it is now setting up its own skills network. That is one of several examples.

Catherine McKinnell: I am sure that the Minister will agree that for FE colleges to contribute to local economic growth, their work forces are key. Has he engaged with Newcastle college about its plans to make 180 staff redundant and to cut the pay of some existing staff by up to £10,000 a year? Given that that is driven in part by a combination of funding cuts and Government priorities, is this not a worrying trend for the future of FE?

Mr Prisk: The hon. Lady paints a very negative picture. When I talk to local FE colleges, they say that they are delighted that we are freeing them from red tape and that they can respond to local businesses. Of course they would like additional funds, but we all know why there is no additional money any more.

Regulation and Growth (Northern Ireland)

18. **Mr Nigel Dodds** (Belfast North) (DUP): What recent discussions he has had with the Northern Ireland Executive on reducing regulation and promoting growth. [66034]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): Ministers and officials regularly consult their equivalents in Northern Ireland. Their discussions include promoting growth and the importance of reducing regulation, including its enforcement.

Mr Dodds: Will the Minister undertake to intensify efforts to discuss how regulation that affects Northern Ireland but is not in the remit and purview of the Northern Ireland Executive, including European regulation, may be reduced or diminished to promote growth in an area that is lagging behind other parts of the United Kingdom?

Mr Prisk: It is a priority to ensure that the red tape that the right hon. Gentleman talks about, which holds back business in Northern Ireland and elsewhere, is dealt with. That is one of the reasons we are ending gold-plating across the UK, including in Northern Ireland. I very much welcome positive ideas that come from the Northern Ireland Executive.

Regional Growth Fund

19. **Tony Lloyd** (Manchester Central) (Lab): What the outcomes were of the second round of applications to the regional growth fund; and if he will make a statement. [66035]

The Secretary of State for Business, Innovation and Skills (Vince Cable): Bidding for round two of the fund closed on Friday 1 July and we were pleased with the positive response. There appear to have been just over 500 applications for round two, with a total ask of £3 billion. We are currently processing the detail of the bids and will release summary information on the bids later in the month.

Tony Lloyd: Given that the Secretary of State is not yet in a position to give a full account of the regional growth fund, will he give a commitment that investment in basic science and engineering, and research thereon, will be at the forefront of the regional growth strategy? In particular, will he break the establishment view that only the triangle of London, Oxford and Cambridge should get that investment, so that other parts of the country can benefit?

Vince Cable: The hon. Gentleman is absolutely right that there has to be regional rebalancing of the economy, and that manufacturing and associated industries are at the core of any revival. It happens that the share of manufacturing is particularly high in areas such as the north-east, so they will benefit from a manufacturing recovery. I remind him that in the first round of the regional growth fund there were nine successful bids in the north-west, generating about 7,500 jobs, including at Bruntwood in Manchester, which I think is in his constituency but is certainly in the city.

Andrew George (St Ives) (LD): Will the Secretary of State ensure that in the next round of the regional growth fund, the Government take into account the national benefit of regional growth, particularly in respect of the Goonhilly earth station application, which will provide the opportunity of radio astronomy for the country as a whole? It is an issue not just of regional growth but of national opportunity.

Vince Cable: I am sure that Lord Heseltine, Sir Ian Wrigglesworth and their team will hear my hon. Friend's advocacy on behalf of one of the 500 projects. It sounds a very good one, and I look forward to seeing it in the pipeline.

Topical Questions

T1. [66041] **Stephen Hammond** (Wimbledon) (Con): If he will make a statement on his departmental responsibilities.

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): The Department is responsible for reducing regulation, increasing trade, growing the economy and promoting excellence in higher education and skills.

Stephen Hammond (Wimbledon) (Con): With regard to deregulation, the Minister will have seen the report from the CEOs conference held by *The Times*, which suggests that an unencumbered supply side is key to growth. One of the key recommendations was moving to faster deregulation—far from one in, one out, it hoped for five out and only one in. Can he make any statement on that?

Mr Prisk: I am always keen to accelerate matters, but it is worth putting it on the record that in the past 12 months this Department alone has been able to scrap regulations that would have cost business £430 million every year. It is a good start, but, yes, we want to move forward.

T5. [66047] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): In January, at a cost of £300,000, the Prime Minister stripped the Business Secretary of his responsibility for media competition and policy issues after he declared war on Rupert Murdoch. Given yesterday's announcement by News Corp that it is dropping the bid for BSkyB, does he expect to have those powers transferred back to him at BIS?

The Secretary of State for Business, Innovation and Skills (Vince Cable): I do not know the answer to that question, but I am delighted to discover that the whole of Britain and the House of Commons now agrees with me.

T2. [66043] **John Stevenson** (Carlisle) (Con): Central Government clearly has a major role to play in supporting and helping business, but we often underestimate the importance of local government's ability to support, or indeed hinder, business. Does the Secretary of State believe that returning business rates to local government control will be good for business?

Vince Cable: Yes, I think it is a good idea in principle. Indeed, I announced it in a statement to the House last year. It could incentivise councils to attract businesses to their area. That is the reasoning behind it, but we have to be careful to ensure that there is an equalisation mechanism—some areas, of course, have a strong starting advantage—and to protect businesses from a very large increase in business rates, which could have the opposite effect.

Joan Ruddock (Lewisham, Deptford) (Lab): What assessment have the Government made of the effect of the core and margin proposals for student funding on conservatoires such as Trinity Laban in my constituency, of which I am an unpaid director?

The Minister for Universities and Science (Mr David Willetts): The Government understand the particular value and needs of conservatoires, which is why we drew particular attention to their need for proper financing in our grant letter to the Higher Education Funding Council for England.

T3. [66044] **Karl McCartney** (Lincoln) (Con): Using his extensive business experience, as demonstrated by his confident and oft-repeated ability to foresee the economic downturn over many years, would the Secretary of State like to impart some of his wisdom and comment on how his Department, under his expert leadership, has helped small businesses to flourish, particularly management and IT consultants?

Mr Prisk: As you can see, Mr Speaker, we are able to work closely together as a team and assume all sorts of identities.

The key thing to bear in mind is that when we look at the number of small business start-ups this year and last, we see an increase of 51,000. According to leading independent surveys, there were 470,000. That is a good sign that we are making early progress, but there is much more to do.

Chris Williamson (Derby North) (Lab): Is the Secretary of State aware that the British train building industry hangs in the balance following the decision to appoint Siemens as the preferred bidder for the Thameslink contract? Unless it is reversed, it will cost the Exchequer more than £100 million in lost tax revenue. Derby does not need a task force—we need a reversal of the decision. Will he give a commitment to make representations to the Transport Secretary and the Prime Minister to call in the decision, to protect thousands of jobs and stand up for British industry?

Mr Prisk: I understand the hon. Gentleman's passion, but I think that the taskforce is important. If we start to unpick the contract now—in the third year of its running—we will face legal reviews and problems with how the project progresses. We need to deal with the procurement system as a whole. I am sorry to say that his Front-Bench team failed to do that in 13 years.

T4. [66045] **Iain Stewart** (Milton Keynes South) (Con): University Centre Milton Keynes, in conjunction with local partners, is developing a knowledge gateway to stimulate enterprise and skills. May I urge my right hon. Friend to meet the dean of UCMK to explore how his Department might be able to support this initiative?

Mr Willetts: I would be pleased to meet the dean. Of course we absolutely support these types of initiatives, which improve the links between universities, employers and businesses. That is one reason we have invited Sir Tim Wilson to consider how we can revive the sandwich course that disappeared under the previous Labour Government.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What consideration has been given to creating a dedicated Minister for manufacturing within the Department to promote this vital economic area?

Mr Prisk: We have one—it is me.

T6. [66048] **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): One of the major barriers to the growth of small and medium-sized enterprises in west Wales is banks refusing to offer facilities to—or, worse still, withdrawing facilities from—companies that are perfectly viable and with which they have had a relationship over many years. Will the Minister offer any advice to those companies and ensure us that he will work with the Treasury to iron out these issues?

Vince Cable: My hon. Friend recognises a real problem—there remains an issue with the supply of finance. Indeed, an independent survey on Monday demonstrated that about 15% of companies are probably discouraged from applying for it. We must wait for the figures in August from the Merlin process, but, as I have made clear in the House before, the Government can take further action if those figures are not satisfactory.

Gordon Banks (Ochil and South Perthshire) (Lab): In response to a question from my hon. Friend the Member for Kingston upon Hull North (Diana Johnson), the Minister's answer was more fairy story than fact. What he did not tell the House was that by 2015 the number of private housing starts will be 14% lower than in 2007, that public housing starts will fall by 39% over the next three years and that road construction spending will be halved by 2014. These are the facts—what is he going to do about them?

Mr Prisk: We are investing £10 billion in the road programme, £14 billion in the rail programme and £200 billion in infrastructure. We have put in place the first national infrastructure plan, which the Labour party failed to do. We are working with industry and construction, and I am sorry that the Labour party has nothing positive to add.

T7. [66049] **Peter Aldous** (Waveney) (Con): Will the Secretary of State confirm that he will consider the proposal for the technology and innovation centre for offshore renewables that brings together a network of key hubs across the country, such as OrbisEnergy in Lowestoft in my constituency, so as to ensure that the whole of the UK benefits from the proposed TIC?

Vince Cable: We will certainly consider the proposal, but, as my hon. Friend knows, there is a proper process for evaluating different bids. The third TIC will centre on renewables, substantially on wind, and existing centres, such as the one in his constituency, are eligible and may well be considered.

Stella Creasy (Walthamstow) (Lab/Co-op): Yesterday the Prime Minister told us that Citizens Advice was one of the most admired organisations in the country. Given that it and Consumer Focus are boycotting the payday industry proposals on a voluntary code of practice, does the Secretary of State think it appropriate that his Lib Dem colleagues are in Parliament today hosting a reception to endorse it?

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): The hon. Lady will know that the Government are working very closely with Citizens Advice on all these sorts of issues and that it is important to listen to the industry on a range of issues. I would have thought therefore that she welcomed hon. Members listening to the industry. She often does not listen to the industry and so often is not as informed as she could be.

T8. [66050] **Priti Patel** (Witham) (Con): The Secretary of State will be aware that more than 80% of jobs in my constituency are in the private sector. Will he therefore congratulate the world-famous jam-makers Wilkin & Sons, based in Tiptree, on its outstanding international business, on all it is doing to create good local jobs and on all that it does to promote its brand—a great international British brand—at home and abroad?

Mr Prisk: I am delighted to support the company in Tiptree; hon. Members can perhaps see that I tend to do that too often, given my breadth. It is an excellent business that is showing the way, through its exports and productivity. It is a business that we can be proud of.

Jessica Morden (Newport East) (Lab): Five independent schools send more pupils to Oxbridge than 2,000 other schools combined. What is the Minister going to ask Oxford and Cambridge to do about that?

Mr Willetts: That is why we have required of them much more ambitious programmes on access than the previous Government required. Oxford's proposals, released this week, show a big extension of summer schools and an extra effort to reach precisely that pool of talent to which the hon. Lady refers.

Ian Swales (Redcar) (LD): The French company EDF is about to build a giant wind farm off Redcar. The main contractor will be German, and most of the materials will be imported. What more can the Government do to ensure that British business benefits more from such projects?

Mr Prisk: This comes back to ensuring that our procurement system is reformed and reviewed, and that is what we are going to do, to ensure that errors are not repeated.

Sheila Gilmore (Edinburgh East) (Lab): What assessment has the Minister made of the impact of the Scottish Government's decision to charge English students tuition fees of up to £9,000?

Mr Willetts: I know that there is strong feeling in England about that, but it is a matter for the Scottish Government and therefore not one for which this Government are responsible.

George Freeman (Mid Norfolk) (Con): I know that the Minister shares my passion for the potential of our biomedical sector to create new jobs and businesses. Will he update the House on some of the exciting

developments at Sandwich, Charnwood and Stevenage, in regard to the opportunities for the UK in reorganising the pharmaceutical sector?

Mr Willetts: This morning, I will be going to the topping-out ceremony of the bio-incubator at Stevenage, which represents precisely the kind of future for our life sciences that we wish to see. It is also very good news that Pfizer has now decided that it wishes to have a continuing presence at its research centre in Sandwich.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Can the Secretary of State confirm or deny that his Department is giving grants to fire authorities to set up arm's length companies that will tender for private sector contracts?

Vince Cable: I can neither confirm nor deny that; I will certainly investigate it.

Mr Philip Hollobone (Kettering) (Con): Given that Northamptonshire has one of the fastest-growing populations in the country and that it sits at the crossroads of England, will the business Minister look favourably at the bid that is now on his desk to establish a local enterprise partnership there?

Mr Prisk: My hon. Friend knows very well that an excellent south-east midlands proposal is already under way. I am encouraging people to work together, but we will certainly always look at representations on a fair and open basis.

Kevin Brennan (Cardiff West) (Lab): Will the Secretary of State actively seek to get responsibility for competition policy in media ownership back into his Department? The fact that he was honey-trapped in his surgery does not mean that it should not be a Minister in his Department who takes such decisions. We have now seen the error of sending these matters to the Department for Culture, Media and Sport.

Vince Cable: Unlike my predecessors, I do not see my job in terms of empire building; I am more concerned that we should get good policy. The Deputy Prime Minister has spoken today on the need radically to reform policy in relation to competition and cross-ownership in the media. Indeed, we might well have to revisit the legislation, because it is clearly unsatisfactory.

Mr Marcus Jones (Nuneaton) (Con): With reference to the Minister's response to the question from my hon. Friend the Member for Tewkesbury (Mr Robertson), Triton Showers, which employs 400 people in my constituency, is extremely concerned that the waste electrical and electronic equipment directive is now being aggressively enforced by the Environment Agency. Bearing in mind the Minister's earlier answer, will he now make representations to the Department for Environment, Food and Rural Affairs on this issue, which is causing real concern in the electric shower industry?

Mr Davey: I will certainly look at this. As I said in my answer to my hon. Friend the Member for Tewkesbury, the guidance is slightly separate from the directive, so there is a need for clarity. That is why we are trying to renegotiate these matters in the recasting of the directive.

Fiona O'Donnell (East Lothian) (Lab): Following on from the question from my hon. Friend the Member for Edinburgh East (Sheila Gilmore), may I ask the Minister whether he is surprised that the Scottish National party, which voted in this House against tuition fees, is planning to impose them now that it is in government in Scotland? What discussions has he had with the Scottish Government to ensure that English students can attend excellent Scottish universities such as Queen Margaret university in my constituency?

Mr Willetts: I do discuss this issue with the Scottish Government because it is important that students throughout the whole of the United Kingdom have proper opportunities to travel to universities around the United Kingdom. I also observe that, proportionally, many more Scottish students still wish to study at English universities than the other way round.

Mike Crockart (Edinburgh West) (LD): The Secretary of State will be aware of the recent announcement in Edinburgh by the climate change Minister of £20 million to be channelled into marine energy. Does he agree that the green investment bank could play a key role in this exciting sector and could do that best by being located in Edinburgh near to the hub of this developing sector?

Vince Cable: I am well aware—I am tempted to say painfully aware—of the volume of representations coming from Edinburgh and elsewhere on this subject. They make a very good case for themselves, but will ultimately have to be judged against a variety of criteria relating to how the mission of the green investment bank will be advanced and the talent pool available.

Heidi Alexander (Lewisham East) (Lab): Will the acting skills Minister tell me whether we will definitely be able to see the equality impact assessment of the Government's proposed changes to ESOL—English for speakers of other languages—next week? It has been promised to me twice, but we have still not seen it.

Vince Cable: Yes, I have indeed seen the equality impact assessment; it will be released very soon.

Duncan Hames (Chippenham) (LD): More than two fifths of places to study medicine are awarded to prospective students living in the top fifth of areas for higher education participation. Will the Minister for Universities and Science consider the social background profile of students on longer degree courses, so that the Office for Fair Access can demand specific actions for these courses in future access agreements?

Mr Willetts: I know that the medical profession is committed to trying to ensure that it attracts talented people who can contribute to medicine regardless of their background. Of course, together with the Secretary of State for Health, I recently announced a very fair funding arrangement for medical students, which I hope will ensure that the profession will continue to be open to young people—whatever their background.

Grahame M. Morris (Easington) (Lab): The Minister is aware that private and public sector have been working together to try to deliver 1,200 new jobs and training opportunities to east Durham through the film studio

and centre for creative excellence. Has he given any further consideration to some sector-specific measures to encourage this development?

Mr Prisk: My Department and, of course, the Department for Culture, Media and Sport will want to look at this together. I am aware of the proposal, as the hon. Gentleman knows, and I will look at it on that basis.

Jake Berry (Rossendale and Darwen) (Con): On Tuesday, LVMH, which produces perhaps some of the Minister's favourite luxury brands of Louis Vuitton and Moët Hennessy, signed the "woman on the board pledge for Europe". Will the Minister update us on what steps he will take to encourage British business to sign this pledge, and does he agree that increasing the representation of women on British boards is a matter of necessity, not luxury?

Mr Davey: I strongly support the sentiments behind my hon. Friend's question. He will know that the report of Lord Mervyn Davies encourages chairmen and chief executives to publish their aspirations and to have a strategy for their aspirations to have more women on boards. When we consult on the future of narrative reporting, we want to consult on the proposal to make the top FTSE 350 companies disclose their performance, including on women on boards.

Mr Speaker: Earlier in this question session, the Secretary of State for Business, Innovation and Skills lamented the absence of his colleague, the Minister for Further Education, Skills and Lifelong Learning, and referred to the increased burden on him by virtue of that absence. I thought I would share with the House the very courteous letter received from the Minister of State, the hon. Member for South Holland and The Deepings (Mr Hayes), who wrote earlier this week as follows:

"Dear Mr Speaker, My apologies for not being present for either DfE or BIS questions as I am abroad on Government business. I hope that your disappointment is as great as mine at the missed opportunities for a heady mix of scrutiny and theatre beloved by we connoisseurs of such things."

Common Fisheries Policy

11.34 am

Sheryll Murray (South East Cornwall) (Con) *(Urgent Question)*: To ask the Secretary of State for Environment, Food and Rural Affairs if she will make a statement on the European Commission's proposed reforms of the European common fisheries policy, which were published on 13 July. The House will know of my special interest in fisheries.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I am grateful to my hon. Friend for the opportunity to apprise the House of yesterday's important announcement and the Government's ongoing agenda in regard to reform of the common fisheries policy.

The United Kingdom Government welcome the release of the European Commission's proposals. The current CFP has failed. It has not given us healthy fish stocks, and it has not delivered a sustainable living for our fishing industry. Only genuine, fundamental reform of this broken policy can turn around those failures, and the proposals released by the Commission yesterday are a vital first step.

The key elements of the proposal are the introduction of a phased ban on the discarding of commercial fish; decentralisation of decision-making, away from micro-management in Brussels; a longer-term approach focused on the introduction of multi-annual plans that deliver maximum sustainable yield by 2015; integration of fisheries management with other marine policies; market measures allocating transferable fishing concessions; improvements in the sustainability and transparency of fisheries agreements with developing countries under the CFP's external dimension; and commitments to improve scientific knowledge and encourage the development of sustainable aquaculture.

This marks the start of lengthy negotiations, and the United Kingdom will play a full part of helping to improve the proposals and get the detail right. We are ready to work alongside our allies at home and abroad to grasp this once-in-a-decade opportunity.

Sheryll Murray: I thank my hon. Friend for coming to the House to give us that update, and for his efforts thus far on behalf of the fishing industry and fish stocks.

Article 25 of the proposed basic regulation states that a member state may adopt measures for the conservation of fish stocks in European Union waters within up to 12 miles, which will apply to vessels flying the flag of that member state, or, in the case of fishing activities that are not conducted by a fishing vessel, to persons established in the territory. Will my hon. Friend confirm that he will not apply any restrictions to recreational sea anglers who fish from the shore around our coastline?

When he goes to the Council of Ministers, will my hon. Friend make representations to enable the United Kingdom to introduce high standards of management and conservation in respect of all fishing vessels that fish within the 12-mile limit in our territorial waters? There is a precedent: most of the new member states, and Greece, restrict fishing within their 12-mile limits to their national fleets. It would be good if the Minister could go to the Council and argue for a level playing field for British fishermen.

Richard Benyon: The short answer to my hon. Friend's first question is yes. The Government recognise the value of recreational sea angling, and we want to encourage it. We are running a specific project to identify sea anglers and their numbers, and to support their work for both tourism and the natural environment. Sea angling from the shore has no connection with the common fisheries policy, and will remain our national responsibility. We hope to see more sea anglers fishing onshore and from vessels.

As for my hon. Friend's second, more technical question about the 12-mile limit, we will look for any opportunity to take more control over the management of our fisheries at a local level. The thrust of our proposals has been, and will continue to be, a decentralisation of fisheries management. We, too, want a level playing field, and my hon. Friend was entirely right to suggest that. Any examples of countries' failing to comply will be our responsibility in the negotiations.

Finally, let me say something about our marine conservation measures. We want to ensure that we do not limit the activities of our fishermen in our waters, and then see other fishermen, with historic rights that may precede 1972, coming into our waters and fishing in an unacceptable way. I assure my hon. Friend that I am determined to see a level playing field.

Mr William Bain (Glasgow North East) (Lab): May I offer the Opposition's support for the reforms proposed by the European Commission yesterday? They present a once-in-a-generation opportunity to reshape the current top-down, broken common fisheries policy into one that can better serve the fishing industry and consumers, and protect our marine environment.

Will the Minister join me in welcoming the potential that the reforms have to end the scandal of up to 60% of fish in some European fisheries being discarded at sea by introducing individual, nationally tradeable catch shares? Will he also support further incentives for the fishing industry to increase investment in selective fishing nets and other monitoring equipment, which could cut the levels of discards and by-catch still further? Will he take up the challenge from the WWF to call for specific measures to ensure that environmental targets are met by a new common fisheries policy, and to rebuild fisheries that the Commission said yesterday have been over-exploited by 75%? Small-scale fleets account for 77% of total EU fleet size, but only 8% in terms of tonnage. Will the Minister indicate how these proposals will secure the viability of that sector?

Finally, does the Minister share my disappointment that although a consensus in favour of these changes is building throughout the EU, the Scottish Government have chosen this moment to isolate themselves in Europe by opposing these reforms, and although their views will be respected, they will not shift the unanimous will of this House, nor of the 700,000 people who have signed the Fish Fight petition, to seize this moment for reform in the interests of the sustainability of fish stocks and the future of the fishing industry?

Richard Benyon: I am grateful for the hon. Gentleman's continued support for the Government's position. I said this was a once-in-a-decade opportunity, but I rather prefer his reference to this being a once-in-a-generation opportunity. If we do not get this right this time, we all know what the state of both fish stocks in United Kingdom waters and the fishing industry could be, so a lot is riding on this. Things do not come much more important than success in these rounds.

The hon. Gentleman is right to raise the point about discards, as that is fundamental to these reforms. Steps such as the great work that was going on before we came to government—and which I hope he feels we have continued—and the development of concepts such as Fishing for the Markets, which looks at the 54% of discards created by the fact that there is no market for these fish, are all good in themselves, but the Fish Fight campaign came at precisely the right time and has lit a fuse under what we are seeking to achieve. The Commission's proposals are bold and we want to support that spirit of boldness, and also to make sure that they are practical. We think the commissioner is going in the right direction on discards.

I want to make sure that fishermen are seen as part of the solution, and not just hit by yet more control and regulation. Where we have worked with fishermen, such as on catch quotas and Project 50% and on Fishing for the Markets, show that this is the way forward.

The hon. Gentleman raised a point about the under-10 metre fleet. We have just finished a consultation on trying to improve the fishing opportunity for the under-10s. The wording in the Commission's document offers the potential for a one-way valve. We could transfer some of the rights-based proposals to enhance the under-10 metre fleet without disadvantaging the over-10 metre fleet, which is also suffering. I am therefore mindful of the difficult balance we have to achieve.

On the final point about Scotland, I just give the hon. Gentleman my assurance that I will work very closely with all the devolved Governments. I want to achieve a UK position on this, because that will give strength to our negotiating position. I do not recognise a huge difference between us and the Scottish Government. I know they have concerns about rights-based management, but I think we can get round that and I hope we can have a UK position going forward.

Andrew George (St Ives) (LD): First, may I congratulate my hon. Friend the Minister on his negotiating skills and endorse the comments of my hon. Friend the Member for South East Cornwall (Sheryll Murray)? In respect of inshore fishing and in particular the 12-mile limit, will my hon. Friend the Minister ensure that the historic rights of foreign vessels operating within that zone are properly scrutinised, particularly where they are towing away the gear of some of the inshore men, and ensure that there is equality of enforcement within those 12 miles?

Richard Benyon: I am happy to give my hon. Friend the assurance that I am absolutely determined that vessels from overseas respect whatever rules we bring in. Looking at the wording of this document, the means we are applying here is the marine strategy framework directive. The policies we are implementing through our conservation schemes—our marine-protected areas, our marine conservation zones under the Marine and Coastal Access Act 2009—are entirely in accordance with that directive, so it is impossible for other countries to try to say we are acting in a discriminatory way. I got the verbal support of the Commissioner on this in my negotiations with her, and I want to make sure we underpin this issue in the negotiations going forward.

Austin Mitchell (Great Grimsby) (Lab): I hope that the Minister will accept that the Commission's proposals are rather like the curate's fish: good in parts, but very smelly in others. There is a particular problem, which I hope he will pursue, with the national input, which is now beginning. First, in the process of decentralisation, more power should be passed down to the regional advisory councils, which involve the industry and have done a good job. Secondly, in pushing the question of discards back to the national Governments, the commissioner is trying to perform a populist trick, because discards pose a particular problem for mixed fisheries—which we have—and quotas. There are bound to be discards, and the fish are dead, whether they are landed or dumped at sea. We have to deal with the problem, but it is better dealt with in the way that the industry is dealing with it now—by selective measures, which have cut discards by 50% over 10 years—than through the blanket ban that the Commission proposes. I hope that the Minister will bear that in mind in the negotiations.

Richard Benyon: I entirely endorse the hon. Gentleman's concerns about decentralisation. If I have a disappointment, it is about the tone of the document. I do not think that there is quite as much as we had hoped for on regionalisation and decentralisation. What do we mean by that? It means that we want fisheries to be managed on an ecosystem basis. It means that when it comes to the Irish sea, for example, we are talking with the Irish Government and devolved Governments to try to match what we know is a complex mixed fishery; and, when it comes to his constituency, we are proceeding in a similar way on the North sea. We will push hard for that, because we absolutely agree with the hon. Gentleman that top-down micro-management, under which net sizes and other technical measures are decided in Brussels, has failed and would be a disaster if allowed to continue.

The hon. Gentleman is absolutely right that if most of the 700,000 people who signed the Fish Fight petition saw a headline with the words "discards" and "ban" in it, they might think, "Great! Job done," but he and I know that it is not as simple as that. In order for the measure to be effective, particularly in mixed fisheries, we need to be nuanced and careful. That is why we have to ensure that we work closely, as he said, through the system of management that we develop and that we do not just allow a problem that at the moment happens at sea to be converted to a landfill problem, which could happen unless we are imaginative.

Tony Baldry (Banbury) (Con): One cannot ring-fence European fisheries. Will my hon. Friend update the House on what is happening on the fisheries partnership agreements with developing countries, and how that might affect what happens in EU waters?

Richard Benyon: This has been one of the most worrying developments of the common fisheries policy in recent years. We cannot get our act together just in UK waters and in EU waters while ignoring the EU's footprint on fisheries—if one can have a footprint on fisheries—further afield. I have been visited by fishermen from Mauritania, Cape Verde and Senegal, and have been truly shocked by what I have heard about the impact not just of EU vessels, but of vessels from other countries. Those vessels have been fishing totally unsustainably, which has had a destabilising effect on the economies of those coastal communities, along with other, social effects and the increased migration that this has caused. We have to understand that we in the EU really have to get our house in order, because it will have huge implications for developing countries if we do not.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I very much welcome the Minister's commitment to radical reform of fisheries management policy in Europe. I also welcome his commitment to working with the devolved Governments in that process. However, I hope that he will also share my concern that according to the European Commission's own impact assessment, the proposals could result in a 20% reduction in the Scottish fishing fleet—a fleet that has already been halved in the past 10 years. What assurances can the Minister give that the most conservation-conscious and aware fleet in Europe will not be further punished for the failures of the common fisheries policy?

Richard Benyon: The hon. Lady is right to raise concerns on behalf of her constituents. I can give her an assurance that we are working through the detail of the proposals. As she knows, this is a major step, but it is also a first step in the negotiations, which will take another 18 months to secure. I will be working closely with my colleague Richard Lochhead in Scotland and with other devolved Ministers to try to ensure that we represent all the UK fleets. I cannot say at this stage whether the impact assessment would have the effect that she mentioned. However, I entirely concur with her that the Scottish fleet has taken great strides in fishing more sustainably, embracing concepts such as catch quotas. I will continue to work with her and others to ensure that this is understood not just here, but abroad as well.

Laura Sandys (South Thanet) (Con): I have been speaking to my Thanet fishermen this morning and they very much welcome what they see as an opening up of opportunities for the under-10 fleet. Will the Minister confirm that that will offer us the opportunity to take advantage of technical measures and effort control to see a significant reduction in discards as a devolved mechanism that will be the responsibility of the Government and not determined by the EU?

Richard Benyon: I am grateful to my hon. Friend for facilitating a useful meeting with fishermen in her constituency last week to hear their concerns about our under-10-metre consultation, which, like all things to do with fisheries, is welcomed massively at one end of the spectrum and treated with suspicion at the other. I want to ensure that we can keep as many happy as we can.

The point about the consultation is that it is a UK—or English, in this case—Government responsibility. We can carry it out and make changes that will advantage my hon. Friend's fishermen and, I hope, not disadvantage others. The Commission paper offers opportunities to rebalance the industry where we feel it is necessary, without disadvantaging either side, through market mechanisms that will see the transfer of fishing opportunity between willing buyer and willing seller in a direction that fishermen in her constituency will find very attractive.

Barry Gardiner (Brent North) (Lab): I welcome Commissioner Damanaki's proposals and ask the Minister to confirm that he will support the proposal to establish a legal obligation to set fishing limits at sustainable levels by 2015. On the question of discards, the requirement to land all catch of specified species and the catch limits will effectively act as a ban on discarding the species most commonly associated with the problem, but will not tackle the problem for all the species. Notwithstanding the comments made by my hon. Friend the Member for Great Grimsby (Austin Mitchell), the Minister will know that if we are to assess stock levels and to obtain the scientific data that we need to consider on an ecosystems basis, that is the only way of achieving the legal—

Mr Speaker: Order. I am extremely grateful to the hon. Gentleman.

Richard Benyon: I know that the hon. Gentleman will be pleased to see the words "ecosystem approach" at the heart of the document and he is right to have pushed for that. We are committed to fishing to a maximum sustainable yield by 2015. Many people talk about that as though it is the great nirvana of fisheries management but many people do not understand what maximum sustainable yield actually means. People talk about it as a line or a bandwidth and many people do not understand its implications for a mixed fishery. The Government made that commitment in Johannesburg and it fits in with our move towards good environmental status in 2020. Those commitments are solid. The hon. Gentleman also mentioned discards. He is right that many species are discarded, as I said, because there is no market for them. Markets are being developed through good work being done by DEFRA as well as retailers and celebrity chefs and we will make sure that we extend that—

Mr Speaker: Order. We are grateful.

Neil Parish (Tiverton and Honiton) (Con): I spent 10 years listening to warm words from the European Commission. May I urge the Minister to take as much unilateral action as possible, first, to ban discards from our 12-mile limits, at the very least, and to use that fish efficiently both to eat and to process for fish farms and, secondly, to look after sea anglers and the under-10-metre fleet? We can do much more as a nation; let us lead by example and take the rest of the European countries with us.

Richard Benyon: I am grateful to my hon. Friend and I recognise his experience and the cynicism born out of his many years on the other side of the channel. I assure him that I will do all that. I want to ensure that Britain continues to be at the forefront of calling for radical

[Richard Benyon]

reform and I am concerned with outcomes, not warm words. I am sure there will be plenty of warm words, but the proof will be found in what my fellow Ministers do. Co-decision among his erstwhile colleagues in the European Parliament is now really important.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I agree with the Minister that one of the more welcome aspects of what the Commission has said is the move towards longer-term arrangements. Does he share my concern that without a parallel move to local management such arrangements will not solve the problems inherent in the CFP?

Richard Benyon: The hon. Gentleman is absolutely right and that is one of the problems with the cod recovery plan. We want to see a much more localised management of the long-term management plans. I like long-term management plans because to an extent, although not totally, they take power away from politicians. The frankly ridiculous process we go through every December will become less of a horse-trading event if plans are written into a solid long-term process. That is why I am pleased to see this development in the document and that the Government's firm views on this matter have been listened to.

Peter Aldous (Waveney) (Con): I commend the commissioner for her statement and the Minister for his hard work on this subject. There are two scandals with how fisheries are managed in Europe: discards, which are now out in the open; and slipper skippers, that is, people who hold and trade quota and have no connection with the industry. What is he doing to address that elephant in the room?

Richard Benyon: I thank my hon. Friend for raising that issue. I share his concern and with many issues relating to fisheries I always start by thinking, "I would not have started from here." We have these so-called slipper skippers—although we do not have quite as many as are sometimes declared—because many of the trades of fishing opportunity were done privately. We have never created a clear right; we have created a deemed right of access to a national resource. That is why I hope that a rights-based management scheme, as I have outlined, will offer the opportunity for clarity. I believe the work we are doing in DEFRA and through the Marine Management Organisation to identify who owns quota will go a long way towards dealing with the urban—or aqua—myths about quota being held by football clubs and celebrities.

Kelvin Hopkins (Luton North) (Lab): The CFP has been an unmitigated disaster and during my 14 years in this Chamber I have called many times for its abolition and for Britain either to seek its abolition or to give notice that at some point we will withdraw from it and reclaim our 200-mile historic fishing limits. Will the Minister keep that possibility open in any negotiations?

Richard Benyon: My priority, as I have said to the hon. Gentleman before, is to deal with an industry in crisis. I could spend all my energies trying to unpick treaties and this House might collectively decide to do that at some point in the future, but we are dealing with an industry with genuine problems that are affecting coastal towns socially through jobs, people's livelihoods and processing industries as well as affecting our food security. That is why I want to put all my efforts into trying to get the right result out of these negotiations. I hope I have the support of the House in doing that.

Several hon. Members *rose—*

Mr Speaker: Order. These are very important exchanges but they are slow—I have checked the record—and they need to get sharper as regards the speed of both questions and answers.

Dr Andrew Murrison (South West Wiltshire) (Con): The proposals are very welcome, but does the Minister agree that given the finite nature of the European maritime fisheries fund, they will work only if he is able to convince British consumers to develop a taste for those species that are discarded? Notwithstanding his comments about Jamie Oliver, how does he propose to do that?

Richard Benyon: I refer my hon. Friend to the Fishing for the Markets scheme, which I mentioned earlier and is trying to do precisely that. It is trying to create new supply chain mechanisms for various species as well as to give us a more eclectic taste in the fish we eat. We basically eat five species of fish in this country and in Spain, I think, they eat 20 or 30. I urge my hon. Friend and other colleagues to start eating dab, coley, gurnard and other species that are thrown away much too readily and are absolutely delicious.

Mr Frank Doran (Aberdeen North) (Lab): I congratulate the hon. Member for South East Cornwall (Sheryll Murray) on securing the urgent question. It is good to hear such all-party support in the Chamber for the position being taken by the Minister. That is extremely important. However, he will be aware that the industry feels very strongly that what we are seeing is basically a framework with a few headline-grabbing statements but not a lot of substance. There is a considerable amount of work to do. Given that we did not have a proper fisheries debate last year, will he ensure that this year we have a proper, full day's debate so that this crucial issue can be properly discussed?

Richard Benyon: I am grateful to the hon. Gentleman for his work through the all-party group; he is very much respected in the House for his views on this issue. We had a four-hour debate on discards and working towards maximum sustainable yield not long ago. I share his disappointment that the annual fisheries debate was moved to Westminster Hall; I hope that this year it will take place in the Chamber and that we will have a full day's debate.

Mr David Nuttall (Bury North) (Con): By any objective measure, the common fisheries policy has been a complete and utter disaster for British fishermen and British consumers, not to mention the fact that it has not been too good for fish stocks. Could the Minister please inform the House what benefits for Britain, if any, he thinks there have been from the policy?

Richard Benyon: I cannot. I share my hon. Friend's view that the common fisheries policy has been a failure on every level. He rightly points out that there are fewer fishermen and fewer fish. However, we have to recognise that fish move between national boundaries and I hope he will agree that we should operate on an ecosystem basis, looking at the full extent of where fish move in a passport-free, Schengen-agreement type way. We can adapt our fishing policies to how fish behave.

Jim Shannon (Strangford) (DUP): I thank the Minister for his response to the urgent question. The common fisheries policy has galvanised all the fishing industry in Northern Ireland to oppose it. This morning, we perhaps have an opportunity to get things right for the future. The Minister mentioned regionalisation. Could he enlighten us further on how he sees that happening? Will control in Northern Ireland be with local representatives in the Northern Ireland Assembly or will it be with the villages as well? He has not mentioned decommissioning. With regionalisation, will there be decommissioning? If so, will it ensure that the fishing industry is sustainable in future?

Richard Benyon: There has been no word of decommissioning per se in the document, but I recognise that it might be required in some areas by some fishing communities as a possible way forward. At this stage, I cannot promise any money from the UK Government or suggest that it could be forthcoming from the EU, but I assure the hon. Gentleman that when we talk about localised, regionalised or devolved management, I want to see much more involvement from fishermen in communities such as his. I want this to be addressed on a sea-basin basis, with consideration of where fishermen are fishing. The regional advisory councils have been a very good model for this and I believe that is the way forward.

Mr Peter Bone (Wellingborough) (Con): It is hard to believe that the Minister believes the twaddle he has been talking today. The common fisheries policy has been an unmitigated disaster and the British people want to come out of the European Union—would not that be the simple solution?

Richard Benyon: That is not really on the subject and is slightly above my pay grade, but I agree that the common fisheries policy has been an unmitigated disaster.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): The European Commission's proposals will ban the discard of quota fish only, but many discards are non-quota, as the Minister will be aware. Do the Government propose a total ban on discards or not?

Richard Benyon: We want to work with the industry to achieve an end to discards, which means looking at the whole range of species that are discarded. I was on a trawler last week watching perfectly edible fish being thrown into the sea. I know what an affront that is to us, and the great British public are outraged by it. We have to make sure that we follow this up and do not simply follow the letter of the document. The good work being done by DEFRA and partners in our Fishing for the Markets project and other schemes really makes a difference. I think we can get there.

Amber Rudd (Hastings and Rye) (Con): The Minister has spoken cautiously about the need to navigate through the different interests within the fisheries group. Does he nevertheless recognise that in the past 20 years the massive benefit of the tradeable quota has largely been with the producer organisations—the larger fisheries? Can he assure us that there will be emphasis during all negotiations on ensuring that the under-10-metre fisheries are restored to their former glory?

Richard Benyon: My hon. Friend, like many Members of the House, is very good at standing up for fishing interests in her constituency. I assure her and them that my commitment to getting a better deal for the under-10-metre fleet remains absolutely solid. I am grateful for the work that she and fishermen in her constituency, as well as the New Under Ten Fishermen's Association and other organisations have been doing to make consultation become a reality. Let me reassure her that I want a better deal for our inshore fleet, which largely fishes sustainably and needs better fishing opportunities.

Tony Lloyd (Manchester Central) (Lab): May I return to the important point raised by the hon. Member for Banbury (Tony Baldry) earlier? The problem of overfishing is global and threatens life in the oceans as a whole. This is urgent: will the Minister give a commitment that the British Government will use the opportunity presented by this review of the common fisheries policy to internationalise this process and to make sure there is investment in the real scientific research this problem needs?

Richard Benyon: On the latter point, absolutely. Science has not been mentioned this morning, but it is very important that we develop a much closer working relationship between scientists and fishermen and that our scientific understanding of fish stocks is improved. I am very pleased to see in the document a commitment to address fisheries partnership agreements and the impact they could have on seas and ecosystems beyond EU borders. I think we should all be concerned if our taxpayers' money is going in benign or actual subsidies to fishing practices at home or abroad that are hugely damaging not only to the marine environment but to the societies that the marine environment should be supporting.

David Rutley (Macclesfield) (Con): Having worked at the Ministry of Agriculture, Fisheries and Food during the so-called tuna wars of the mid-1990s, I am keen to ask my hon. Friend what focus will be given to monitoring the practices of foreign fishing vessels under any future CFP regime.

Richard Benyon: The good news is that there is much better technology now. I have sat in the operations room of the Marine Management Organisation looking at vessel monitoring systems data on where every vessel is. One can tell precisely what those vessels are doing, and that is improving with e-log books. I went out with a Fishery Protection Squadron patrol the other day and saw the work it does, and I was really impressed by its professionalism. I can give my hon. Friend a commitment that we will work extremely hard to continue to be

[Richard Benyon]

experts in what we do. We are respected throughout the world for our work on monitoring fisheries, and technology is on our side.

Thomas Docherty (Dunfermline and West Fife) (Lab): The Minister will be aware of concerns that the proposals might allow an international trade in quotas to result in Scottish fishermen's not being able to fish in Scottish waters. Will he find time to meet me and other MPs to discuss this matter during the consultation?

Richard Benyon: I would like to meet hon. Members from both sides of the House during this process and to keep up a regular dialogue. I think there are misunderstandings about the possibility of creating a market mechanism in tradeable quotas. I want to make sure that they are retained in member states, that there is no possibility that more fishing opportunity can be grabbed by fewer and fewer people and that there is a social dimension to our fisheries policy. I want to try to get UK-wide agreement on this.

Bob Stewart (Beckenham) (Con): From 2013, when the new regulations come in, would it be possible for some very clever people, perhaps in DEFRA, to design a system so that fish discards are distributed to charity, perhaps at home or even abroad?

Richard Benyon: The commissioner mentioned that as part of the process; there are mechanisms within the common fisheries policy and common agricultural policy to do that but they are a bit bureaucratic and are not very successful. I agree that it is an affront in a hungry world, when we know that people live in poverty in our own country, that perfectly edible, quality fish are being thrown away, dead. We want to create new supply chains that will address my hon. Friend's concerns.

Mr Philip Hollobone (Kettering) (Con): Is it not the case that my hon. Friend the Minister would be carried shoulder-high through the fishing villages and towns of Britain and up and down every high street in the land were he to announce the UK's withdrawal from the common fisheries policy and the repatriation of British waters to British fishermen? That would be the best way of conserving fishing stocks and reviving our once-great fishing industry.

Richard Benyon: I assure my hon. Friend that I did not enter this job in any belief that it would make me popular, but I do seek to get a good result for British fishermen. I know and understand where he is coming from. These discussions will no doubt be had in our party and others in future, but we want to deal with the here and now and with the art of the possible, and I assure him of my commitment to that.

Business of the House

12.10 pm

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 18 July is as follows:

MONDAY 18 JULY—Motions relating to national policy statements, followed by a motion to approve the appointment of the Parliamentary Commissioner for Administration and Health Service Commissioner for England.

TUESDAY 19 JULY—General debate on matters to be raised before the forthcoming Adjournment, as nominated by the Backbench Business Committee.

The House will not adjourn until the Speaker has signified Royal Assent.

Colleagues will wish to be aware that, subject to the approval of the House, the House will meet at 11.30 am on that day.

The business for the week commencing 5 September will include:

MONDAY 5 SEPTEMBER—Remaining stages of the Terrorism Prevention and Investigation Measures Bill.

TUESDAY 6 SEPTEMBER—Remaining stages of the Health and Social Care Bill (Day 1).

WEDNESDAY 7 SEPTEMBER—Remaining stages of the Health and Social Care Bill (Day 2), followed by a motion to approve European documents relating to victims of crime.

THURSDAY 8 SEPTEMBER—If necessary, consideration of Lords amendments, followed by the remaining stages of the London Olympic Games and Paralympics Games (Amendment) Bill.

FRIDAY 9 SEPTEMBER—Private Members' Bills.

I should like to inform the House that the business in Westminster Hall for Thursday 8 and 15 September 2011 will be as follows:

THURSDAY 8 SEPTEMBER—A debate on future flood and water management legislation.

THURSDAY 15 SEPTEMBER—A debate on scientific advice and evidence in emergencies.

As these are the last business questions before the summer recess, may I, as usual, thank the staff of the House for all their hard work? I hope that they have a good break before we return in September.

Hilary Benn: I am grateful to the Leader of the House for that reply. It is good to see him back at the Dispatch Box in his day job, after covering for the Prime Minister, who twice this week has sent someone else to the House when he should have been here himself. Last Friday, he was quite happy to be questioned by journalists on phone hacking, but he did not give Members that privilege until yesterday. So do we not now need the Procedure Committee's recommendations on ministerial statements to be agreed as soon as possible? Will the Government find time for that?

The House knows that it took the Prime Minister a little while to get it on News International, but some others still do not get it. To argue that the story published about the son of my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) was acquired by legitimate means is to miss the point completely: it is never legitimate to publish medical information about a four-month-old just because of who his father is.

This has, however, been a good week for Parliament, as the Leader of the House and the Leader of the Opposition said yesterday: asking questions, scrutinising, revealing the truth and working with the Government to hold News International to account. Can the Leader of the House confirm this morning that the inquiry will now be established immediately? We need clarity about the setting-up date, to protect all the potential evidence.

Given that it has been reported in the last few minutes that Rebekah Brooks has now agreed to appear before the Select Committee on Culture, Media and Sport but that a summons to appear is to be served on James Murdoch and Rupert Murdoch, can the Leader of the House confirm that such orders apply regardless of nationality and that a further refusal to appear might be reported to the House as a breach of privilege?

Can the Leader of the House tell us how many written ministerial statements the Government expect to publish next Monday and Tuesday, given that we have had 16 yesterday and 30 today?

The Health and Social Care Bill is three times longer than the 1946 Act that set up the NHS and has now been considered in Committee twice; but second time round, only 64 of the Bill's 299 clauses were looked at again. The Criminal Justice Bill 2003, which the Prime Minister remembers well, had three days' consideration on Report; but given that this lengthy Bill has had to go back to Committee a second time, will the Leader of the House find time for four days' consideration on Report, instead of the inadequate two days that have been offered?

Last week, the Leader of the House was asked by my right hon. Friend the Member for Warley (Mr Spellar) about Ministers who have refused to meet Members. I am now aware of at least eight cases in which that has happened. I am surprised, Mr Speaker, because it is surely the duty of every Minister to meet parliamentary colleagues if they ask. May I thank the Leader of the House and, indeed, the Deputy Leader of the House for their willingness to help to sort this out? We will pass them the details.

When will we have a debate on the higher education White Paper? The Minister for Universities and Skills promised that fees of £9,000 would be charged only in "exceptional circumstances". However, we have learned this week that the truth is very different: 80 universities will charge £9,000 for some courses, and the average fee will be £8,393.

May we have a debate on the north-south divide? The *Yorkshire Post* reports that, although 109,000 more people are in work in London compared with a year ago, there are 20,000 fewer in Yorkshire and 15,000 fewer in the north-east. Yesterday, we saw the fastest rise in the number of jobseeker's allowance claimants for more than two years. In light of that, why is it the Government's policy that the Mayor of London has been given the London Development Agency's assets free of charge, whereas every other council must pay for its regional development agency's assets? Why is there one rule for London and another for the rest of the country?

Finally, as these are the last business questions before the summer recess, may I thank the Leader of the House for his unfailing courtesy in answering Members' questions and in responding to the occasional provocation on my part? May I wish him, the Deputy Leader of the House, you, Mr Speaker, Members on both sides of the House and, most importantly, the staff, who support us so ably and work so hard, a very pleasant summer break? Who knows, perhaps the Leader of the House will find some time to start blogging again?

Sir George Young: I am grateful to the right hon. Gentleman. I used to put some light-hearted items on my website, until he started to use them against me at business questions. At that point, I am afraid, the practice had to stop.

Turning to the issues that the right hon. Gentleman raised with me, I think that what he said about the Prime Minister was unworthy. The Prime Minister was at the Dispatch Box for one hour and 56 minutes yesterday. He answered 78 questions from hon. Members, in addition to the questions that he answered during Prime Minister's questions. He has made more statements to the House than his predecessor did. The accusation that he has in any way shirked his duties in the House is an unworthy one that simply cannot be sustained. I contrast my right hon. Friend the Prime Minister's performance yesterday with the cry of pain that we heard from the former Prime Minister from the Back Benches.

I would welcome a debate on the Procedure Committee's report on ministerial statements. As the right hon. Gentleman knows, it is a matter for the Backbench Business Committee to find time for such a debate.

We want to go ahead with the inquiry as soon as possible. We have made a commitment to consult the devolved Administrations and, indeed, others on the terms of reference and we will want to consult the judge on the panel's composition, but we want to get on with it as soon as we can. In the meantime, it is a criminal offence to destroy evidence when criminal proceedings are under way. Once a tribunal has been established, additional penalties apply if evidence is destroyed.

We hope to make perhaps fewer written ministerial statements than the right hon. Gentleman's Administration did just before the summer recess; but of course, we want to keep the House informed and let hon. Members know of planned commitments before the House goes into recess.

On the Health and Social Care Bill's consideration on Report, we have been very generous compared with the previous Administration in having two days' consideration on Report for the remaining stages of important legislation. We have done that twice in the past month, and it was a very rare event indeed under the right hon. Gentleman's Administration to get two days' consideration on Report.

Last week, I did indeed answer a question from the right hon. Member for Warley (Mr Spellar). I asked for details of incidents in which Ministers had refused to see Members. To my knowledge, I have not received that evidence; if the shadow Leader of the House has it, of course I will pursue it and encourage my hon. Friends to see Members who want meetings.

[Sir George Young]

On higher education, if one looks below the surface, and includes the fee waivers, one realises that the average cost of courses in 2012-13 comes down to £8,161. It will come down even further once we award 20,000 places to institutions charging less than £7,500, as we announced in the White Paper. That figure includes the extra support that students will receive, amounting to an average £368 of benefits in the form of bursaries.

Turning to the powers of Select Committees to summon witnesses, a Select Committee can make a report to the House if it is believed that a contempt has been committed. It is then for you, Mr Speaker, to decide whether that should have precedence; the issue is then referred to the Select Committee on Standards and Privileges, which can take the matter further. A range of sanctions is available to the House for contempt. One includes you, Mr Speaker, admonishing somebody who appears at the Bar of the House—a responsibility that I know you would discharge with aplomb. There is a range of other penalties, including fines and imprisonment, but that has not been used for some time.

Finally, I am grateful to the shadow Leader of the House for what he said about business questions. In return, I hope that he has a very good recess. Of course, it is not the case that when the House goes into recess, Members stop working; the recess enables us to focus with even greater concentration on our responsibilities in our constituencies.

Mr Greg Knight (East Yorkshire) (Con): The Government have encouraged the Procedure Committee to take on the remit of the now defunct Modernisation Committee in addition to its own work load, and there are three Procedure Committee reports awaiting a decision of this House, with a fourth report on the way. If the Leader of the House is not prepared to allocate Government time to determining those matters, will he give more time to the Backbench Business Committee, and allocate that time in a less erratic way, so that we can make some progress?

Sir George Young: I pay tribute to my right hon. Friend for the work that he is doing on the Procedure Committee; as he says, it is now in effect the work of two Committees—the Procedure Committee and the now defunct Modernisation Committee. We remain committed to allocating 35 days in a normal Session, plus injury time in this Session, to the Backbench Business Committee. Those days may not be allocated evenly throughout the Session, because the volume of Government legislation, and the commitment to it, means that at this time in the Session, we are doing a lot of heavy lifting, but I hope that at the beginning of a Session, and perhaps towards the end, we will be able to make up any ground that has been lost. We are committed to the 35 days, plus extra days because this Session is longer than usual.

Natascha Engel (North East Derbyshire) (Lab): Following on from the point raised by the right hon. Member for East Yorkshire (Mr Knight), the Leader of the House is aware that since the Whitsun pre-recess Adjournment debate two months ago, the Backbench Business Committee has been given precisely one day to allocate to debate on the Floor of the House holding the Government to account. We cannot debate matters such as ministerial statements and handheld devices, or all the business coming out of the Procedure Committee, unless the Government allocate us the time for those debates. I have repeatedly asked the Leader of the House to consider allocating a regular, weekly slot, in which Back Benchers can hold the Government to account on the Floor of the House. Has he considered that, and if he has, what are the arguments against it?

Sir George Young: I welcome the work that the hon. Lady does on her Committee. We have, of course, allocated a day next week to the Backbench Business Committee for the pre-recess Adjournment debate. Of the 35 days to which we are committed, we have so far provided 32, which I think is a good record, considering that there are many months of the Session still to go. She asked about a regular, weekly slot. She was a member of Wright Committee, which looked at the matter. It recognised the idea of a standard day every week, but also that leaving the matter to negotiations would avoid the rigidities of a set-day approach. The Committee's alternative was a set number of days per Session, provided for in Standing Orders. That is the approach that we have taken. However, I take the point that the hon. Lady makes, and at the end of the Backbench Business Committee's first year, I think we can review how it has worked and come to some conclusions on how we allocate time in future.

Zac Goldsmith (Richmond Park) (Con): The Leader of the House will have heard encouraging remarks from the fisheries Minister—in the previous item of business. He will have noted the wide interest across the House in the issue of common fisheries policy reform, and particularly the interest in the plight of the under-10-metre fleet and the crucial issue of the 12-mile sovereign territory limit. Will the Leader of the House agree to put aside substantial time for a proper debate on the issue, in time for the House to influence negotiations on reform of the CFP?

Sir George Young: That, in a sense, follows on from the two earlier questions about the responsibilities of the Backbench Business Committee. Previous debates on issues such as fisheries, defence and the EU were provided for by the Government, in Government time. The recommendation of the Wright Committee was that all those days, which would include days for debates such as the one to which my hon. Friend refers, should be put in a pot and allocated to the Backbench Business Committee. That is exactly what we have done, so responsibility for finding time for the debate to which he refers falls to the Backbench Business Committee, using, in the rest of the Session, one of its 35 days plus.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I was in the unfortunate situation, on Tuesday in my housing market renewal Westminster Hall debate, of having before me a Minister who was not able adequately to answer the debate. He was clearly out of his depth and referred to very serious issues experienced by my constituents as sob stories. My hon. Friend the Member for Birmingham, Erdington (Jack Dromey) asked the Minister to withdraw his comments, and he did not. Realising that he had made a mistake, the Minister got

his civil servants to doctor the record, which, two days later, has still not been corrected—all while the Minister for Housing and Local Government, who should have been answering the debate, was tweeting about a round-table discussion in his Department just five minutes down the road. To ensure that those mistakes do not happen again, will the Leader of the House ensure that the relevant Minister answers the very real concerns of our constituents that we articulate and debate?

Sir George Young: I understand that the debate was replied to by a Minister from that Department who has responsibilities for housing, and I am sure that he discharged his responsibilities adequately. The hon. Lady mentioned doctoring the record; it is not, so far as I am aware, possible to doctor the record. The *Hansard* Reporters report faithfully that which is said.

Henry Smith (Crawley) (Con): Can consideration be given to a debate on the future of animal experimentation, particularly in light of the latest statistics, which show that in 2010 the number of experiments increased by 3%?

Sir George Young: There will be an opportunity to ask Ministers in the Home Office questions about the number of experiments. I simply add that the experiments are often necessary. If medicines that have life-saving properties are to be brought on to the market, they need to be adequately tested to ensure that they are safe. We must get the right balance and use animals only where there is no alternative.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): Has the Leader of the House had the opportunity to see the latest National Audit Office report on the Independent Parliamentary Standards Authority, and in particular has he read that 91% of all Members asked now believe that they are subsidising their job? Could he raise that with IPSA and explore why that is?

Sir George Young: I have read the report, and the hon. Gentleman will know that IPSA gave evidence to the Public Accounts Committee earlier this week. The House has resolved to set up a committee to look at the legislation under which IPSA was established, and I am sure that that committee will be happy to take evidence from the hon. Gentleman. I am sure that IPSA will also take on board his comments. I think it quite wrong that Members should have to dig into their own pockets to carry out their responsibilities to their constituents and the House.

Greg Mulholland (Leeds North West) (LD): The save the pub group was delighted when the coalition Government agreed to stick to the plan put in place for pub company reform by the previous Government, based on the excellent Select Committee recommendations. The deadline is now up, and it is clear that pub companies have not done what was asked of them, so may we have a debate on that important matter, and a statutory code with a genuine free-of-tie option?

Sir George Young: I commend my hon. Friend for his activity on the issue; in the previous Parliament, he initiated a number of debates on it. I am sure that all Members of the House have, in their constituency, pub landlords who have faced difficulties negotiating with their pubcos. I will draw to the attention of relevant Ministers in both the Department for Communities and Local Government and the Department for Business, Innovation and Skills the fact that the period has now expired, and ask them to consider whether legislation is now necessary to rebalance the terms of trade between tenants and landlords.

Nic Dakin (Scunthorpe) (Lab): I was fortunate enough to accompany Sergeant James Main and the Respect team to see at first hand the work they are doing in Scunthorpe to reduce antisocial behaviour by young people. May we have a debate in the House on the very good work the police have done in recent years to reduce youth crime?

Sir George Young: I do not know whether the hon. Gentleman applied for a debate on the pre-recess Adjournment, which would have provided an opportunity for such a debate. Otherwise, there will be an opportunity at Home Office questions in September to highlight the excellent work being done to reduce antisocial behaviour in his constituency.

James Morris (Halesowen and Rowley Regis) (Con): May we have a debate on transparency in Government? If we are serious about reforming public services, my constituents require data at a deep level, for example on GPs' clinical performance, if they are truly to be able to make choices about local public services.

Sir George Young: My hon. Friend will know that the Prime Minister wrote to all Ministers earlier this month committing us to publish key data on the NHS, schools, criminal courts and transport. This represents the most ambitious open data agenda of any Government anywhere in the world and will help to drive up standards in exactly the way my hon. Friend describes.

Mike Gapes (Ilford South) (Lab/Co-op): The Leader of the House knows that regular statements are made about the situation in Libya, but it is some time since we have had a substantive debate with an opportunity to put the motion to a vote. Given the duration of the conflict and the issues that are of concern, will he discuss with Government colleagues the possibility of having another debate on the situation in Libya and the long-term prospects?

Sir George Young: The hon. Gentleman will know that we have made regular statements on Libya, and indeed on Afghanistan and Iraq, and on one or two occasions we have, exceptionally, provided time for a debate. There will be an opportunity next Tuesday in Foreign and Commonwealth Office questions to press Ministers about the latest situation in Libya, and no doubt the hon. Member for North East Derbyshire (Natascha Engel), who chairs the Backbench Business Committee, will have heard the suggestion for a debate.

Robert Halfon (Harlow) (Con): May we have a debate on the Laffer curve and petrol taxes, because figures from the AA show that the Treasury received £637 million less in revenue from petrol taxes than in the equivalent

[Robert Halfon]

period three years ago? Will my right hon. Friend make representations to the Treasury to ensure that we do not raise petrol taxes next January?

Sir George Young: As someone with an economics degree, I am always happy to debate the Laffer curve. The fair fuel stabiliser means that fuel duty will rise by inflation only when oil prices are high. As he knows, the measures we have already taken mean that pump prices are about 6p a litre lower than they would have been had we simply carried forward the previous Government's plans. We are also encouraging retailers wherever possible to pass on savings to consumers as quickly as possible.

Mr Nigel Dodds (Belfast North) (DUP): Will the Leader of the House update the House on whether there has been any change in the policy on meetings of the Northern Ireland Grand Committee, and will he undertake to discuss with the Secretary of State for Northern Ireland an early meeting of the Committee after the summer recess?

Sir George Young: I am grateful to the right hon. Gentleman and happy to have those discussions with the Secretary of State about the Northern Ireland Grand Committee and report back to him.

Mrs Anne Main (St Albans) (Con): Network Rail has given an abysmal performance, missing eight out of 10 of its own targets. Surely it is time we had a debate on that, given the impact it has on First Capital Connect, other train lines and commuters in my constituency.

Sir George Young: I hope that my hon. Friend will apply for an Adjournment debate in Westminster Hall, or indeed on the Floor of the House. Network Rail needs to be made much more accountable than it is at the moment, and its corporate governance structure is obscure to say the least. If we get that right, we will be better able to hold it to account on the specific issues she mentions.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): In a Westminster Hall debate on 28 June, the Minister for Housing and Local Government, speaking about his new fixed-term social housing tenancies, said:

> "I am being clear, in all our language and in the tenancy standards that we will put in place, that two years is to be considered as an exceptional circumstance, and that at least five years would be the norm."—[*Official Report*, 28 June 2011; Vol. 530, c. 212WH.]

Because some of us are a little cynical about Government pledges on "exceptional circumstances" following our experiences with higher education fees, I pressed the Minister on this point and was assured that there would be provision in the regulations to be issued by the Government. The Leader of the House will not be at all surprised at my horror when I saw the draft regulations appear less than two weeks later with no such provision and, even more so, when I saw a copy of a letter sent by the Minister to the hon. Member for Stafford (Jeremy Lefroy), who had secured the debate, stating that he had no intention of giving effect to this pledge. Will the Leader of the House confirm that it is completely out of order for a Minister to give a pledge in a parliamentary debate and then break it within a matter of weeks without coming to the House to explain himself, and will he ensure that the Minister answers for this issue in the House before it rises for the summer recess?

Sir George Young: I take the right hon. Gentleman's point seriously. He and I have a mutual interest in housing matters and I know how important security of tenure is to tenants. He will understand that I would like to make some inquiries about the exchange that has taken place, as I do not keep myself as up to date on housing matters as I used to, but I will convey his concerns to my right hon. Friend the Minister and see whether we can get a reply to him addressing those concerns before the House rises.

Karen Bradley (Staffordshire Moorlands) (Con): Sixteen-year old Hayley Bates from Biddulph was killed in a road traffic accident last year. Her parents have recently discovered that a Facebook page has been created called "Hayley Smash Nissan", displaying shocking and disgusting images relating to Hayley and the accident. Will the Leader of the House find time for a debate on this important issue so that we can determine what we can do to protect other families from this shocking crime?

Sir George Young: This is a horrifying case and our sympathies go out to the family and friends. I know that it can cause great distress if these incidents are mishandled. I will raise the points my hon. Friend has just made with the relevant Ministers and ask them to write to her.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Has the right hon. Gentleman seen early-day motion 2070, which stands in my name and those of several other hon. Members?

[That this House notes that previous Prime Ministers, including Edward Heath, Margaret Thatcher and John Major, were meticulous in replying personally to letters from hon. and right hon. Members; and further notes the present Prime Minister does not.]

May we have a debate so that the Prime Minister can come to the House and explain whether he feels that he is more important than his predecessors, or is just too lazy?

Sir George Young: I understand the right hon. Gentleman's concern. I think I am right in saying that there have been occasions when, having written to a Prime Minister, I have received a reply from someone else, which I do not think is wholly unusual. However, in view of the length of time that the right hon. Gentleman has been in the House and the fact that he is a Privy Counsellor, I will raise the matter with the Prime Minister and see whether any changes are necessary in his correspondence office.

Mr David Ruffley (Bury St Edmunds) (Con): Select Committees will have a vital role in getting to the truth behind the allegations of phone hacking and other corrupt practices, but in modern times this place has not used criminal sanctions against witnesses who lie to Select Committees. In the light of the inquiries announced this week and the public interest, would it be possible to have an urgent debate when the House returns in September on why this is?

Sir George Young: If a Select Committee feels that there has been a contempt, the procedure is that it makes a report to the House and then the Speaker decides whether to give it priority, and if he does it is put on the Order Paper and referred to the Standards and Privileges Committee. If that Committee finds that there has been a contempt, it has at its disposal a wide range of penalties, including fines.

Chris Bryant (Rhondda) (Lab): Wrong!

Sir George Young: It is entirely a matter for the Standards and Privileges Committee, and ultimately the House, what sanctions should then be applied to anyone who has committed a contempt.

Mr Speaker: Mr Chris Bryant.

Chris Bryant (Rhondda) (Lab): Thank you, Mr Speaker; you are very cheeky.

As I understand it, the Deputy Serjeant at Arms has already served the summons on the lawyers of the two Murdochs, and as I understand it, there is no bar on foreign nationals being summoned. Let me make a suggestion to the Leader of the House. There is a degree of urgency about this. Parliament is going into recess next Tuesday, and the Select Committee is only going to meet on Tuesday. If the Murdochs still refuse to come next Tuesday, an alternative route would be for him to table an emergency motion on Monday to require the Serjeant at Arms to bring the Murdochs either to the Bar of the House or to the Committee. I think that he would have the support of the whole House in doing so.

Sir George Young: I think I would like to take some advice before I go down that particular route. The position is that if a witness fails to attend when summoned, the Committee reports the matter to the House and it is then for the House to decide what further action to take. As I said, there has not been a case of that kind for some considerable time. The House can order a witness to attend a Committee; apparently this has not happened since 1920. I would like to take some advice on the rather dramatic course of action that the hon. Gentleman has recommended to me, whatever the consequences might be with regard to News International.

Mr William Cash (Stone) (Con): With regard to the terms of reference for the Leveson inquiry, will my right hon. Friend make a note of early-day motion 2088, which is signed by 14 Select Committee Chairmen from all three main parties, the chairmen of the 1922 committee and the parliamentary Labour party, and representatives of the Northern Ireland party and Scottish national party which lead the devolved Assemblies, and has been passed on to No. 10? It proposes that the terms of reference of the Leveson inquiry should

"be extended to the whole media, including sound, visual and social media, and include blagging and other unethical or illegal practices"

and not be confined to phone hacking.

Sir George Young: My hon. Friend made this point in yesterday's exchanges. Of course, the broadcasting media already have their own statutory regulation that does not apply to the press. I know that the Prime Minister will take on board the suggestions that have been made about changing the terms of reference, and we will consider that before final decisions are made.

John McDonnell (Hayes and Harlington) (Lab): On Tuesday, I raised under a point of order a concern that the Ministry of Justice has written to all chief probation officers announcing the commencement of the privatisation of probation services. That was done without any statement to the House whatsoever. On Wednesday, there was a written statement to the House that dealt with probation services but also announced the closure of two prisons and the privatisation of a range of other prisons. May I suggest to the Leader of the House that that warranted an oral statement to the House, and ask that a Minister attend for that purpose next week? It is important that we discuss this issue, because it is the most significant change in the criminal justice service over the past decade. If we cannot have a statement to the House, may we have a debate in Government time in early September?

Sir George Young: The hon. Gentleman referred to the written ministerial statement. We are committed to delivering reform in our public services, and we want to improve efficiency and effectiveness in outcomes for victims, offenders and the wider community. On the question of whether the matter is dealt with in a written statement or an oral statement, I understand his point, but the Government must also have regard for the business of the House. Wednesday—yesterday—was an Opposition day with a lot of important business, and I am not sure what the reaction would have been if we had had yet another statement, compressing the business even further. We will of course always look at the balance between written and oral statements, but in this particular case I think we were right to do what we did.

Priti Patel (Witham) (Con): Will the Leader of the House follow me in condemning the appalling bombings that took place in Mumbai yesterday, which resulted in 17 deaths? In particular, does he agree that at this very difficult time for India, this House and Britain should stand firm in its support of India?

Sir George Young: I am grateful to my hon. Friend. The whole House will want to send its sympathy to the friends and relatives of those who lost their lives in these terrorist atrocities. The Foreign Office consular team is already in Mumbai providing consular support to any British nationals who may have been caught up in these events. We are working very closely with the Indian authorities, and we are committed to working with the Indian Government and our allies to combat the threat from terrorism in all its forms.

Clive Efford (Eltham) (Lab): We have only two sitting days left, and it is important that this House is reported to on the progress of the Leveson inquiry in terms of securing evidence. In response to my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) on Monday, News International said that if he would give it the details of his complaint, it would investigate

[Clive Efford]

it. For us, that is not good enough. It is the police who should carry out that investigation, or the inquiry. All the information should be made available and secured now. We need a statement before the recess in order to understand what progress is being made on securing that evidence.

Sir George Young: The Prime Minister dealt with this in his statement yesterday. It is a criminal offence to destroy documents when a criminal investigation is under way.

Brandon Lewis (Great Yarmouth) (Con): When does the Leader of the House envisage our being able to debate the opening up of public services outlined in the White Paper this week? No doubt parish councils and communities across the country, as well as in Great Yarmouth, are excited about the opportunities that this may give them to be more in control of their destiny.

Sir George Young: I am delighted that there is an appetite in Great Yarmouth to take forward the agenda that the Minister of State, Cabinet Office outlined on Monday with the White Paper. We want to give everyone the choice of helping to improve and control the services they receive and to end the big Government, top-down way of running public services. I hope that it will be possible to have a debate at some point in future to explain how we plan to take this agenda forward.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): May we have a debate on patients' rights in the national health service? My constituents, Frances and Magdalen McAleavy, have been removed from the doctors' list at their GP surgery. They have not moved home. Frances McAleavy is 75 years old and has been with this GP practice since she was five months old in 1936. Will the Government look for more protection for patients in such situations?

Sir George Young: I am sorry to hear of the problems that confront the hon. Gentleman's constituents. There will be an opportunity to touch on some of these issues when we debate the remaining stages of the Health and Social Care Bill, but in the meantime I will draw his remarks to the attention of my right hon. Friend the Secretary of State for Health.

Guto Bebb (Aberconwy) (Con): The recently published accounts of S4C, the Welsh fourth channel, showed that the interim chief executive was paid a pro rata salary of £212,000. Is it possible to have a debate in the House about how a public body such as S4C continues to prioritise high salaries at the expense of front-line services such as programming?

Sir George Young: I understand the concern that my hon. Friend has expressed. I should like to share it with the Welsh Assembly, if that is the appropriate department, or with one of my ministerial colleagues, and I will let him have a reply as soon as possible.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I reinforce the fact that this is a unique opportunity for the House to make very clear the responsibilities and powers of a Select Committee in calling people to give evidence? In the 10 years in which I was Chair of the Education Committee, the situation was never really clear, and it seems to be totally unfair. People such as the rich, the famous and celebrities used to evade us—we never managed to get Jamie Oliver to give evidence. We sometimes used to brag that we had this power—at one stage, on the basis of that threat, I forced the National Union of Teachers to come and give evidence—but it was never clear and precise what it was and who we could call.

Sir George Young: The hon. Gentleman will know that under the previous Administration there was a Joint Committee on Parliamentary Privilege. When it reported in 1999, it recommended that failure to appear before a Select Committee should be a criminal offence. The Administration whom he supported never took that Committee's recommendations forward. We are committed to introducing a draft privilege Bill that will be based on the recommendations of the 1999 Joint Committee report. I therefore hope that we can begin to find a solution to the uncertainty to which he refers.

In reference to an earlier question, I am advised that it is doubtful whether the House can any longer impose a fine; this was last done in 1666. However, that could be addressed in the draft Bill.

Ian Swales (Redcar) (LD): In areas as diverse as energy-intensive industries and children with myalgic encephalomyelitis, the issues cross two or more Departments, whereas debates are traditionally answered by one Department. Will the Leader of the House investigate how cross-departmental issues can be better covered by this House in future?

Sir George Young: The hon. Gentleman may know that in the last Parliament, we had cross-cutting questions in Westminster Hall. The issues that he raises might therefore be dealt with by the House. I think I am right to say that that experiment was not an outstanding success and that that is why it lapsed. It might be worth looking at again, and perhaps the Procedure Committee or the Backbench Business Committee could do that.

Pat Glass (North West Durham) (Lab): The recent announcements of huge increases in gas and electricity prices have left many of my constituents anxious about how they will get through the next winter. They also feel angry and ripped off because Ofgem does not seem to be able to manage the small number of energy companies, which are making excessive profits. May we have an urgent debate on the energy industry and price rises, and can it be held in the autumn before this issue becomes a winter crisis?

Sir George Young: The hon. Lady may know that when my right hon. Friend the Secretary of State for Energy and Climate Change made his statement on electricity market reform on Tuesday, the issues that she has just touched on, such as how we tackle fuel poverty, were raised. He outlined the measures that are available through the Department for Work and Pensions to help those on low incomes to meet their fuel bills. She will also know that the green deal is going through the House at the moment, which will enable people at no

cost to themselves to have measures introduced to their home to reduce their electricity bills. We are working on a range of other initiatives. I would welcome such a debate, but it would again fall to the Backbench Business Committee to find time for it.

Mr Andrew Turner (Isle of Wight) (Con): Will the Leader of the House agree to have a debate on jobs? In one year, three out of every four jobs went to foreign workers. That seems to substantiate the comments of my right hon. Friend the Secretary of State for Work and Pensions. Does that not demonstrate why we must be stronger on employment for Britons?

Sir George Young: It is very important that as the economy recovers and the 900,000 jobs are created, as forecast by the Office for Budget Responsibility, more people who are already here have the skills to apply for and secure those jobs. Part of the agenda of my right hon. Friend the Secretary of State for Work and Pensions is to achieve the objective, through the Work programme, of enabling more people who are already here, perhaps the long-term unemployed, to have access to the new jobs, rather than having to import people to do them.

Dan Jarvis (Barnsley Central) (Lab): Given that the Government launched what was described as a six-month review of our reserve forces on 19 October last year, does the Leader of the House agree that this House should have the opportunity to digest and discuss the findings of that important review before the recess?

Sir George Young: I will convey to my right hon. Friend the Secretary of State for Defence the strong view of the hon. Gentleman that we should have a report on the Territorial Army and reserves review. My right hon. Friend hopes to keep the House up to date on a number of issues before we rise, such as the basing review. I will see whether this matter might be included in such a statement.

Paul Uppal (Wolverhampton South West) (Con): There has been a correlation between the rise in the gold price over the past few years and the number of gold thefts in my constituency. The police seem to have a particular problem in tracing stolen jewellery. Will the Leader of the House find time for a debate on the individual registration of gold dealers, which would require people who sell gold to provide personal identification? That would help the police to detect and prevent these crimes.

Sir George Young: I am sorry to hear of the increase in burglaries in Wolverhampton now that the price of gold has gone up. I would like to touch base with my right hon. Friend the Secretary of State for Business, Innovation and Skills to see whether such a registration scheme might be cost-effective in reducing the incidence of such burglaries or tracing those responsible for carrying them out.

Steve McCabe (Birmingham, Selly Oak) (Lab): I was astonished to read in one of today's papers that the independent Office for Budget Responsibility is predicting that income tax might have to rise by 12p in the pound. If things have got that bad after only 12 months of coalition Government, should the Chancellor not make a statement before the summer recess?

Sir George Young: I think that the OBR was looking ahead many decades and outlining the impact of increased longevity on the national health service and pensions. It said that if nothing else was done, that might be a consequence. For the hon. Gentleman to attribute that long-range forecast to anything we have done in the past 14 months is heroic. To minimise the impact on the public finances of the sort of demographic changes that I have outlined, we have increased the state retirement age and moved from the retail prices index to the consumer prices index. We are therefore taking steps that hopefully will reduce the necessity for an increase in income tax.

Gavin Williamson (South Staffordshire) (Con): May we have a debate on the NHS, and specifically on the measures the Government are taking to reduce the number of NHS managers?

Sir George Young: Yes; we have two debates on the NHS when we come back in September. Since the general election, there are 2,500 more doctors, 200 more nurses and 2,500 fewer managers. The situation may have changed even more by the time we return.

Ian Mearns (Gateshead) (Lab): I have been working with and on behalf of my constituent, Miriam Khan, whose mother was tragically murdered. The chief suspect, Miriam's father, escaped justice by fleeing to Pakistan, where he lives to this day. The Pakistani authorities are aware of this case, and sadly there are many similar cases around the country. Can the Leader of the House secure a debate or at least a ministerial statement about the hope for an extradition agreement between this country and Pakistan?

Sir George Young: There will be an opportunity on Tuesday to cross-question Foreign and Commonwealth Office Ministers about our relationship with Pakistan and extradition. In the meantime, I will raise the case with Ministers. I quite understand the distress of the hon. Gentleman's constituent, Miriam Khan, and her anxiety to see that whoever committed this murder is brought to justice.

Kwasi Kwarteng (Spelthorne) (Con): Given the roll-out of the academies programme, does the Leader of the House agree that it would be timely to have a debate on the Floor of the House on academies and their progress?

Sir George Young: I would very much welcome such a debate to draw attention to the huge increase in the number of academies under this Government, from 203 in May 2010 to 801 in July this year, and the many more that are in the pipeline. Perhaps my hon. Friend would go to the Backbench Business Committee and put in a bid for such a debate.

Paul Flynn (Newport West) (Lab): Certain elements in our constitution are well represented in the Palace of Westminster with statues, portraits and stained-glass windows, but there is almost a total absence of memorials to progressive groups, such as the Chartists and the Tolpuddle martyrs, that did so much to shape all that is best in our modern democracy. May we debate early-day motion 2067, which suggests that we represent, for a start, the sacrifice of the Newport Chartists of 1839, 20 of whom died in what they called "a noble cause"?

[Paul Flynn]

[That this House salutes the work of the Head of State; notes that the role of royalty is commemorated extensively throughout the Palace of Westminster; regrets that there are few, if any, portrayals of heroic work for democracy over recent centuries; believes that the work and sacrifices of Chartists, and many other progressive movements, should be honoured and celebrated by depictions of events in their proud histories.]

Sir George Young: It is right that we have statues in the Palace of Westminster that remind us of our traditions and the roots of our democracy. I think that whether and where new statues are erected are matters for the House of Commons Commission. If the hon. Gentleman would like me to raise the issue on the Commission's agenda, I would be happy so to do.

Gavin Barwell (Croydon Central) (Con): May we have a debate on school discipline? Teachers, parents and pupils in my constituency tell me that the education reform they most want to see is the introduction of measures to ensure that the vast majority of young people who want to learn are not disrupted by the small minority who do not.

Sir George Young: We have published new guidance for teachers, which is greatly reduced in volume from 600 pages to 52. It restores adult authority to the classroom and makes it clear that teachers have a legal power to use reasonable force to remove a pupil who is disrupting a lesson or to prevent a child from leaving a classroom. I hope that that sets a new tone in the classroom and enables teachers to teach and children to learn.

Barry Gardiner (Brent North) (Lab): Given that a rating agency has suspended its classification of US sovereign debt pending a review and given the problems in the Italian bond market and the rest of the eurozone, may we have a debate on the adequacy of reserving policy in UK banks before, rather than after, any economic disaster?

Sir George Young: The UK banks have been stress tested. I cannot offer the hon. Gentleman the sort of debate that he has asked for. However, he reminds the House of the importance of having adequate fiscal policies to ensure that we do not suffer the same problems as Greece, Portugal, Ireland and other countries.

Neil Carmichael (Stroud) (Con): With the growing popularity of academies in mind, may we have a debate about the school funding formula, particularly to raise the question of disparities in funding for local authorities, and to mention the need to get money where it needs to be—the schools and the pupils?

Sir George Young: My hon. Friend is right: the funding regime for academies is no longer appropriate. It was designed at a time when there were relatively few academies, and now there are many more. My right hon. Friend the Secretary of State for Education is consulting on a new funding regime for academies, which I hope will address the issues to which my hon. Friend refers.

Thomas Docherty (Dunfermline and West Fife) (Lab): I hope that the Leader of the House, his deputy and most importantly his courteous and professional staff have a good rest.

Further to the question asked by my hon. Friend the Member for Barnsley Central (Dan Jarvis), given the huge national interest in the basing announcement that is due very shortly, can the Leader of the House confirm that the Secretary of State for Defence will come to the House on Monday and make that announcement rather than slipping it out either on Tuesday or in written form?

Sir George Young: I commend the hon. Gentleman for his tenacity on this subject. My right hon. Friend certainly plans to update the House on the basing review before we rise for the summer recess.

Bob Blackman (Harrow East) (Con): The Government can be rightly proud that we have done more in 13 months than the Labour party did to compensate victims of the Equitable Life scandal. However, there remains one group of people—the pre-September 1992 annuitants—who are trapped and vulnerable, and their cases are not even being assessed. Will my right hon. Friend find time to lean on the Treasury and encourage it to come forward with a statement on the progress of payments so far, so that we can question it on what will be done for that small group of people?

Sir George Young: My experience of leaning on the Treasury is that it tends to lean back, but I am very happy to raise with my hon. Friend the Financial Secretary to the Treasury the issue of those annuitants. Speaking from memory, I think the finding of the ombudsman was that the regulatory failure began after 1992, which may be why those who had policies before 1992 were excluded from compensation. None the less, I will raise the matter with my hon. Friend the Financial Secretary and ask him to write to my hon. Friend the Member for Harrow East (Bob Blackman).

Jon Ashworth (Leicester South) (Lab): Does the Leader of the House share my disappointment that the Department for Business, Innovation and Skills has still not published the equality impact assessment of cuts to the provision of English for speakers of other language? He will be aware that many Members are seeking to raise the issue of ESOL provision in Tuesday's Adjournment debate. Will he ensure that the assessment is published by then and not sneaked out over the summer recess?

Sir George Young: I understand the hon. Gentleman's concern, and I believe that the matter was raised a few moments ago during questions to BIS Ministers. They will publish the document to which he refers as soon as possible.

Mr Peter Bone (Wellingborough) (Con): This year has been an amazing one for the scrutiny of Parliament, the best in decades. That is down partly to the hon. Member for North East Derbyshire (Natascha Engel), the Back Bencher of the year, who chairs the Backbench Business Committee; partly to the shadow Leader of the House, who has done such a good job in parliamentary terms; partly to you, Mr Speaker, for your leadership from the Chair; partly to the star Parliamentary Private

Secretary to the Leader of the House, my hon. Friend the Member for Henley (John Howell), who gives us a lot of suggestions, none of which I take; and partly to the Deputy Leader of the House, who has gone from poacher to gamekeeper very easily. Of course, it is mainly down to the Leader of the House, who, when I ask him a question, always gives a full, frank and honest answer, but never to the question that I asked.

To move things forward a little, has the Leader of the House had a chance to ask the Chief Whip whether, in the first week back, the Government are going to support my private Member's Bill, which would just slightly amend the House of Commons Disqualification Act 1975?

Sir George Young: If my hon. Friend is referring to some personal vendetta that he has with the Whips Office, and a Bill that I think would disqualify the Whips from being Members of Parliament, I have to say that I have a very good relationship with the Chief Whip and would not be minded to support any measure that removed from me the pleasure of having his company next to me on the Front Bench at every Prime Minister's questions.

Heidi Alexander (Lewisham East) (Lab): In a week when the House has rightly been focused on the phone hacking scandal, there is of course an emerging humanitarian crisis in east Africa, with thousands upon thousands of people without access to adequate food and water. Will the Leader of the House monitor the situation over the summer recess and, if necessary, find parliamentary time to debate the UK's response to the tragedy?

Sir George Young: It is an important issue, and my right hon. Friend the Secretary of State for International Development made a statement about our aid policy not so very long ago. There were also questions to DFID Ministers yesterday. Of course we will keep the humanitarian crisis under review. I cannot promise that the House will be recalled if there is any deterioration, but we will do all we can to keep Members in the picture on the steps that the UK is taking to reduce the human suffering.

Rehman Chishti (Gillingham and Rainham) (Con): May I ask the Leader of the House for an urgent debate on the Floor of the House on the quality of care provided at Medway Maritime hospital? An independent report found that there were actions that could be construed as bullying of a senior surgeon, Mr Mufti, the former medical director at the NHS trust. Since then, other professionals at the hospital have contacted my office to say that they have encountered such behaviour. That followed a recent survey showing that one in five workers at Medway hospital had encountered harassment or been abused. My constituents are very concerned about the implications that that may have for patient care.

Sir George Young: Bullying and harassment of NHS staff by patients, members of the public or other staff is wholly unacceptable, and the NHS constitution specifically refers to measures that should be taken to reduce bullying. I understand that the Medway trust is aware of the concerns to which my hon. Friend refers, and is having discussions with the trade unions to come up with a policy that reduces such incidents to a bare minimum.

Anas Sarwar (Glasgow Central) (Lab): My question follows the answer given to my hon. Friend the Member for North West Durham (Pat Glass). A little over a month ago, Scottish Power announced an energy price increase of 20%, I asked the Leader of the House for an urgent statement from the Energy Secretary detailing what discussions he had had with energy suppliers, and what measures would be taken to reduce the impact on hard-working families right across the country. Given that this week British Gas has announced that gas prices will increase by 18% and electricity prices by 16%—perhaps a cynical attempt to hide bad news when everyone is focusing on the hacking scandal—may we now have an urgent statement from the Energy Secretary and not, as the Leader of the House suggested, a Backbench Business Committee debate?

Sir George Young: My right hon. Friend the Energy Secretary made a statement on electricity market reform on Tuesday, and he addressed precisely the concerns that the hon. Gentleman expresses. He outlined the measures that we were taking to provide security of supply and stability of prices in future. He was asked many questions about the rising cost of fuel, and he outlined the measures that the Government were taking to address it. I suggest that the hon. Gentleman looks in *Hansard*, where he will find an answer to some of the questions that he has raised.

Mark Pawsey (Rugby) (Con): Later this year, private sewers will be transferred to water and sewerage companies, and many householders will be relieved of concerns about future maintenance bills. May we have a debate to consider the implementation of the change, so that we can acknowledge the work of those who have campaigned on the issue, including the all-party group on sewers and sewerage, previous Members for Rugby and my constituent Pam Brockway of Woodlands residents association?

Sir George Young: My hon. Friend is quite right that later this year, responsibility for private sewers connected to the mains will transfer from householders to the water authorities. That is a welcome step forward that will remove the incidence of householders suddenly being confronted with huge bills for sewers for which they simply did not think they had any responsibility at all. I commend those who campaigned for that enlightened measure. It will have an impact of roughly £5 on the bills that people pay, but I think that is an acceptable price to pay for the security of mind that goes with the policy.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Earlier, in response to my hon. Friend the Member for Huddersfield (Mr Sheerman), the Leader of the House outlined the position with regard to criminal sanctions for contempt of the House and the proposal of the Joint Committee on Parliamentary Privilege in 1999. I am sure that it is totally coincidental, but those were the very points that I made in a letter that I copied to the Prime Minister and the Leader of the House yesterday. However, we are living in a very fast-moving world. Will the Leader of the House examine the two specific provisions made in the 1999 report, and incorporate them into emergency legislation that I am sure would command support from both sides of the House?

Sir George Young: I understand the hon. Gentleman's concern. He is asking us to do as an emergency something that the previous Administration had 11 years to do and did absolutely nothing about. The answer that I gave the hon. Member for Huddersfield (Mr Sheerman) earlier was that we are considering a draft parliamentary privilege Bill. I welcome the suggestion of the hon. Member for West Bromwich West (Mr Bailey) that contempt should be made a criminal offence, as suggested in the 1999 report. I can assure him that it will be considered, and he will have a chance to feed his comments into future consultation on the Bill.

Tony Baldry (Banbury) (Con): I think everyone in the House is agreed that our pensions should be no different in principle from the pensions of others in the public sector. Will my right hon. Friend tell us when the House will have an opportunity to make it clear that we consider that our pensions should be reformed in line with the principles set out in the Hutton report, and when will he table a motion that will unequivocally pass responsibility for MPs' pensions to the Independent Parliamentary Standards Authority?

Sir George Young: My hon. Friend will know that a written ministerial statement today outlines the Government's position on MPs' pensions, which is exactly as my hon. Friend describes. We should be treated no differently from other public servants, and I will table a motion before the House rises, but for debate subsequently, that asks the House to endorse that position. It will also propose that we transfer to IPSA responsibility for a new pension scheme for MPs. That motion will reassert the importance of the independent determination of MPs' remuneration.

Ian Murray (Edinburgh South) (Lab): The Scottish National party has decided to impose huge tuition fees on English students who go to Scottish universities. Given that the SNP previously called those tuition fees both "discriminatory" and "anti-English", and that it has said that the

"added cost of a 4 year degree means we won't see English students going to Scottish Universities",

may we have an urgent debate on the impact that those politically motivated policies, which are designed to promote a separatist agenda, will have on both English students and our wonderful Scottish universities?

Sir George Young: I gather that that matter was raised during Business, Innovation and Skills questions. How the SNP Executive manages tuition fees is a matter for them. What the hon. Gentleman describes is a consequence of devolution.

Christopher Pincher (Tamworth) (Con): I am loth to ask the Leader of the House this question just before the recess, but may we have a debate on IPSA? Earlier this week I spoke to the operations team at IPSA, which tells me that it now processes and pays claims, on average, in six or seven days, but in my experience it takes twice that long, which is in breach of its service level targets and places a real difficulty on some Members in managing their cash flow. May we therefore discuss how we can help IPSA to improve those service levels, so that it can help us to do our job?

Sir George Young: I am sorry to hear of my hon. Friend's problems. I understand that the director of operations at IPSA has offered a meeting with my hon. Friend, which I hope addresses his particular concerns. As he knows, we have just set up a Committee to look at the legislation that covers IPSA. He will have an opportunity to feed in to the work of that Committee his suggestions as to how we might make future changes.

Kevin Brennan (Cardiff West) (Lab): Can the Leader of the House imagine the reaction there would have been if Tony Hayward, the then chief executive officer of BP, refused to appear before the congressional committee in the US? My hon. Friend the Member for Rhondda (Chris Bryant) has pointed out to the Leader of the House that he has the power to introduce a motion that would require the witnesses who are refusing to come to the Culture, Media and Sport Committee to attend, and for the Serjeant at Arms to go and fetch them. Will he at least pledge today, on the Floor of the House, that he will use whatever powers are at his disposal to ensure that those witnesses turn up next week?

Sir George Young: I understand the hon. Gentleman's concern. My view is that that is a matter for the House rather than for the Government.

Neil Parish (Tiverton and Honiton) (Con): When does the Leader of the House expect my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs to make a statement on tuberculosis? Twenty-five thousand cattle a year are being slaughtered, and it costs £100 million of taxpayers' money, and yet that pall of disease out there in the wildlife is not being tackled. A statement from the Secretary of State is urgent.

Sir George Young: I understand my hon. Friend's concern. TB causes real difficulties for farmers in many parts of the country. My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs has been consulting on a range of options to tackle that disease. I cannot promise an immediate response from her, but I will convey my hon. Friend's interest and see whether we can get a reply on the timing of any Government announcement as soon as possible.

Mr Andrew Love (Edmonton) (Lab/Co-op): Earlier this week, I was surprised and just a little shocked to learn from the National House-Building Council that only one house was started in my constituency in the last six months for which figures are available. With the massive cut in grant funding for affordable housing, and with the shambles that appears to be developing over the Government's so-called affordable rents policy, may we have an early debate, preferably in Government time, in September, to discuss the future of affordable housing in this country?

Sir George Young: I understand that there was a debate on housing market renewal on Tuesday in Westminster Hall. I hope the hon. Gentleman welcomes the measures announced in the Budget to help first-time buyers, and that he recognises that house building starts fell to an all-time record under the Administration whom he supported.

David Mowat (Warrington South) (Con): The Leader of the House will be aware that, four times now, Opposition Members have objected to the setting up of the Committee to scrutinise the draft Financial Services Bill. Does he know what they have against better scrutiny of financial services, and in particular why they do not want that Committee to start its important work?

Sir George Young: I share my hon. Friend's concern that we have been unable to establish that Joint Committee to look at the draft Financial Services Bill. I very much hope that when the motion comes before the House later today, it will be possible to make progress and set up the Committee. I cannot endorse what has happened on the Order Paper, where Members of one political party have sought to interfere with the nominations of another.

Diana Johnson (Kingston upon Hull North) (Lab): With the publication this morning of the national crime statistics showing that burglaries have gone up 14%, and that domestic violence, worryingly, has gone up 35%, may we have a debate on the risks that the Government are taking with the 20% cuts to the police force and on the 12,000 police officers who will lose their jobs?

Sir George Young: I understand where the hon. Lady is coming from on this, but I must just remind her that before the last election, the then Home Secretary made it absolutely clear that he could give no guarantee at all that the number of police officers would not be reduced were the Labour party to be re-elected. A Labour Government would have been confronted by the same sorts of decisions as this Government were, but we believe that our police reforms will put more on the front line and enable the police to make further progress in preventing and detecting crime.

Mr David Nuttall (Bury North) (Con): May we have a statement and debate on the increasing amount of our national debt? That would give the House the chance to highlight the fact that, despite all the measures being taken to control public spending, because of the sheer size of the budget deficit bequeathed by the previous Government, the national debt will actually increase by around £350 billion before the next election, and not decrease by that amount, which, according to a poll out this week, seven out of 10 of the British public wrongly believe will happen.

Sir George Young: I listened, as I am sure my hon. Friend did, to my hon. Friend the Member for Bromsgrove (Sajid Javid) introducing a ten-minute rule Bill on the same theme—the size of the national debt. One reason that continues to increase is the very high interest bill on the outstanding debt, which we inherited from the previous Government. My hon. Friend the Member for Bury North (Mr Nuttall) will know that we have made some difficult decisions to reduce the pressure on public finances, including bringing forward the state retirement age, changing to the consumer prices index for benefits, and accepting Lord Hutton's recommendations to reform public service provision. I very much hope that my hon. Friend agrees that what we have begun to do will help to reduce the escalating nature of national debt.

Nick Smith (Blaenau Gwent) (Lab): In the next few months, Southern Cross will be broken up. During that period, the 30,000 residents in 400 constituencies will be very concerned about the place they call home. May we have a proper debate on this topic directly on our return in September?

Sir George Young: There will be an opportunity on our return in September to discuss health-related issues during debate on the remaining stages of the Health and Social Care Bill. The hon. Gentleman will also have heard the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow), reply to an urgent question on Tuesday following Health questions. Our primary concern remains the welfare of the residents. Whatever the outcome, no one will find themselves homeless or without care, and we are working closely with the Local Government Association, the Association of Directors of Adult Social Services and the Care Quality Commission to ensure that appropriate arrangements are in place in the event of any need.

Julian Smith (Skipton and Ripon) (Con): May we have a debate on the *Yorkshire Post* "Fair Deal for Yorkshire" campaign, particularly regarding the need for a fair deal on tourism funding between Yorkshire and Scotland, and the huge benefits of locating the green investment bank in Leeds?

Sir George Young: My hon. Friend might be opening a bidding war in stating that he wants the green investment bank to be located in Leeds—I am sure that other hon. Members think it could be located in their constituencies. I would have thought that the benefits of Yorkshire spoke for themselves as a holiday destination, but I am sure that VisitBritain will do what it can to promote York, along with—I hope—Hampshire.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Like so many ex-servicemen, my constituent Mr William Young has found it difficult to enter the domestic labour market. May we have a debate on what more the Government, the armed forces and the nation can do to help ex-service personnel as they transition from the forces to civilian society?

Sir George Young: The purpose behind one of the key components of the military covenant was precisely to help those leaving the armed forces to develop alternative careers. One particular opportunity was to encourage them to join the teaching profession, for which many of them have the necessary skills. However, I will raise with my right hon. Friend the Defence Secretary the question of our progress, through the military covenant, on finding work for those retiring from our armed forces.

Alun Cairns (Vale of Glamorgan) (Con): The number of jobseeker's allowance claimants in the Vale of Glamorgan has fallen by 25% over the past year, and according to the latest figures unemployment fell across the whole of the UK. May we have a debate on unemployment to establish what policies are working best and why they are working in some areas better than in others?

Sir George Young: I am delighted to hear that unemployment has fallen in my hon. Friend's constituency, and I hope that we will continue to make progress in bringing it down. As I said a few moments ago, the Office for Budget Responsibility forecasts that there

[Sir George Young]

will be 900,000 extra jobs between now and 2015. There are encouraging signs in the labour market figures. The Work programme, which has just been introduced by my right hon. Friend the Secretary of State for Work and Pensions, is encouraging new providers into the market to provide long-term jobs for those who are unemployed. I hope we will make some progress there. The challenge is to help people into employment and to help the recovery. The Work programme is up and running and will offer jobseekers flexible support tailored to their needs in order to help them into employment.

Jim Shannon (Strangford) (DUP): Food prices continue to rise at an alarming rate across the whole of the United Kingdom. In the past year, they have risen by 6.5%, whereas the overall inflation rate for June was 4.2%. Will the Leader of the House agree to a debate on an issue that affects everyone in the UK?

Sir George Young: Was the hon. Gentleman referring to fuel prices?

Jim Shannon *rose—*

Mr Speaker: Order. If clarification is required, we are happy to have it.

Jim Shannon: I said "food" prices. I am sorry for my accent.

Sir George Young: Food is every bit as important as fuel. I cannot promise time for an early debate on food prices, but of course the Government are taking appropriate action to try and bear down on inflation. However, for those confronted by rising food prices, support is available through the index-linked benefits from the Department for Work and Pensions.

Mr Speaker: I thank the Leader of the House, the shadow Leader of the House and all 62 Back-Bench Members who took part in this session.

Coastguard Modernisation

1.23 pm

The Secretary of State for Transport (Mr Philip Hammond): With permission, Mr Speaker, I should like to make a statement on the Government's intentions for taking forward the process of coastguard modernisation in the light of responses received to the consultation that ended on 5 May 2011.

The key drivers behind the modernisation proposals are the need to address the limited resilience of current arrangements, distribute more effectively the work load experienced by different coastguard stations and provide enhanced opportunities for coastguard officers to develop professional skills, with pay levels reflecting enhanced responsibilities. There is also a need to contribute to the wider deficit reduction agenda.

The consultation set out proposals to create a nationally networked coastguard system with two maritime operations centres—one in the Southampton/Portsmouth area and one in Aberdeen—together with a 24-hour centre at Dover and five daytime-only centres. In addition to delivering greater resilience and better career progression, the proposals identified ways of managing costs while still delivering high levels of service to seafarers and the public. The proposals also set out our commitment to increase by 32 the number of regular uniformed coastguards deployed to support the front-line volunteer coastguard.

These drivers for change and our strategic objectives in this exercise remain unaltered, but throughout the consultation process. I have been clear that we are willing to listen to the views of the public, coastguard staff and other interested parties on the best way to deliver the outcomes we need to achieve. More than 1,800 responses were received, including many from serving coastguards. Of the total, 27 submissions suggested specific alternative solutions, all with a reduced number of stations but with differing concepts of operations. We are very grateful to all those who responded to the consultation and to the Transport Select Committee for also looking at the issues. This has been a model consultation, with many serious and thoughtful responses recognising the need to deliver the overall objectives but proposing alternative ways of doing so.

A number of common themes emerged from the consultation responses: first, widespread acceptance, as illustrated by all the alternative solutions put forward, that change is necessary; secondly, concerns about the potential loss of local knowledge and local contacts with volunteer coastguards and other search and rescue partners; and, thirdly, concerns over how the detailed concept of operations for the MOCs and sub-centres would work in practice, particularly how a handover between a daytime centre and a 24/7 MOC would work in practice. A review of all the consultation responses has been produced under the leadership of a non-executive director of the Maritime and Coastguard Agency, involving a number of serving coastguard officers and members of the Public and Commercial Services Union, and has been placed in the Library of the House. A formal response from the Government to the report of the Transport Select Committee will be provided separately.

In the light of the consultation responses, the Government have now concluded that it remains right to continue with the proposals for a nationally networked

system with the introduction of one MOC capable of managing incidents anywhere and ensuring optimum distribution of work load across the system. Establishing one MOC, rather than the two previously proposed, allows us to address concerns over local knowledge and the robustness of the future concept of operations by retaining one of each of the current paired stations, with the retained centres operating as part of the nationally networked system 24 hours a day rather than during the daytime only. Staff in each of the current pair of stations are already familiar with, and frequently experience, managing incidents in an adjacent area.

We have also decided that the Northern Ireland coastguard station at Bangor should be retained because of the specific requirement to manage the civil contingency arrangements unique to Northern Ireland and the relationship with search and rescue partners in the Irish Republic with whom we co-ordinate closely in air sea rescues in the waters around the island of Ireland. In the light of the decision to retain one station from each pair and concerns raised about Welsh language communication, it has been decided to retain the Holyhead station, rather than the one at Liverpool. In response to concerns expressed over the resilience of infrastructure and communication links within the Scottish islands and between the islands and the Scottish mainland, we have decided to retain coastguard centres in both Stornoway and Shetland. A further review of the potential costs of vacating the existing sites in Swansea and Milford Haven has shown that there are no financial or operational reasons to favour either location, and in view of my Department's already substantial levels of employment in Swansea, we have decided to retain the coastguard centre at Milford Haven rather than at Swansea.

In summary, subject to consultation on the changes to the previously announced approach, we will now proceed with the creation of a modernised coastguard service providing a nationally networked system comprising: one maritime operations centre in the Southampton-Portsmouth area with a disaster recovery back-up facility at the Dover station, which will retain its responsibilities for the Channel Navigation Information Service and will also serve as a sub-centre; and a further eight sub-centres, all operated on a 24-hour basis, located at Falmouth, Milford Haven, Holyhead, Belfast, Stornoway, Shetland, Aberdeen and Humber. The stations at Clyde, Forth, Portland, Liverpool, Yarmouth, Brixham, Thames and Swansea will close progressively over the period between 2012 and 2014-15. The station at Solent will be replaced by a new maritime operations centre in the Portsmouth-Southampton area. The small London station is unaffected by these proposals.

These revised proposals will deliver the modernisation required, and they are capable of delivering the same level of savings in the longer term as our previous proposals. They are right for the future of the coastguard service. I recognise, of course, that they will none the less represent a huge disappointment to those hon. Members whose constituencies are affected by the proposed closures.

The additional costs generated by retaining a total of 10 centres overall, plus London, all operating on a 24-hour basis, and the higher coastguard numbers that will be needed to do so, will be offset by operating only one maritime operations centre, in the Southampton-Portsmouth area, with a back-up centre, equipped but not staffed, at Dover. By moving to more efficient watch patterns, we will still be able to offer higher pay across the service to reflect higher levels of responsibility, while ensuring that costs overall remain within our planned funding for the coastguard as a whole.

The changes to the original consultation proposal that I have announced today will be the subject of a further period of consultation. This will run for 12 weeks from today, ending on 6 October 2011. Specifically, this includes the decision to retain Holyhead rather than Liverpool; the choice of Milford Haven rather than Swansea; the decision to retain stations at Shetland and Stornoway; and the decision to operate a single maritime operations centre, rather than two. These changes to our original proposals will deliver the modernised and more cost-effective service that we need for the 21st century, while also responding to the genuine concerns raised during the consultation process. I therefore commend them to the House.

Maria Eagle (Garston and Halewood) (Lab): I thank the right hon. Gentleman for his statement today, and for giving me early sight of it. I also thank him for coming to the House today; this is the first time that a Minister has made a statement at the Dispatch Box on this issue at any stage of this process. I must also tell him, however, that it was wholly inappropriate for him to brief *The Sunday Telegraph* and the *Sunday Mirror* at the weekend, both of which reported a "senior Government source" as confirming the changes to the proposals. He has clearly given even more detailed information on the fate of specific stations to regional newspapers and broadcasters for use this morning. Does he not understand that it is outrageous that our brave local coastguards should be hearing about their future through anonymous briefings to the press from Department for Transport officials? This is not the way to treat those who work to make our coastline a safer place. The Secretary of State should not have sought to spin such an important announcement in advance in the way that he chose to do.

The changes that the Secretary of State has announced today are a partial victory for the tireless campaigning of coastguards up and down the country. They are the people who best know the level of provision needed to keep our coastline safe. It has been an honour to meet and hear from so many of them over the past few months and to see at first hand their dedication. The campaign that they have fought has been based entirely on their concern for the safety of the communities that they serve, and today's changes are a tribute to their commitment and tenacity.

It is incredible to think that the Secretary of State believed that the majority of our coastguard stations should not provide round-the-clock cover. It is right that he has abandoned those plans and recognised the need for stations to operate 24 hours a day, and I commend him for doing so. However, today's announcement will result in the loss of just under half of all of Britain's coastguard stations. That will be a devastating blow to the stations that he proposes to close, to the coastguards, to their families and to the communities that they serve and in which they are held with such respect.

These closures are driven entirely by the Government's decision to cut the transport budget too far and too

[Maria Eagle]

fast. It is incredible that the Secretary of State's statement today focused almost entirely on issues of cost, rather than on the safety considerations that should have driven this review from the start.

The chief executive of the Maritime and Coastguard Agency was very clear when he appeared before the Transport Select Committee on 8 February this year. He said that he had been

"required to find 22% budget reduction in my programme between now and 31 March 2015".

He went on to say that the closure of coastguard stations was

"part of an overall strategy to bring my....expenditure into line with the budget provision I have been given now for the comprehensive spending review."

These reforms are about cutting budgets, not about improving the safety of Britain's coastline.

All along, the proposals have been ill thought out, careless and rushed. It was quite clear that Ministers had already decided exactly which stations were to close when the original consultation was published. The leaked early draft of the consultation that I was sent showed clearly that the public were to be asked for their views not on alternative options but on a decision that had clearly already been made in the Department. Only just before publication did Ministers decide to put in the choices between Liverpool and Belfast and between Shetland and Stornoway, making it clear that this was done for no other reason than to give the impression of a consultation when it was nothing of the sort.

Most incredible of all is the fact that no risk assessment was published alongside the proposals. The Select Committee found that

"by failing to publish a risk assessment of the current plans or an impact assessment of the previous round of closuresuntil prompted, the MCA management has badly miscalculated. It has mishandled the consultation and made it appear opaque rather than clear and open-minded."

It is clear that, had it not been for the campaign fought up and down the country, and the impressive expert work of the Transport Select Committee—I pay tribute to my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) for her chairmanship of that Committee—Ministers would have implemented these spending review-driven closures.

Throughout this process, there has been a failure by the Secretary of State adequately to ensure joined-up government with the Ministry of Defence, or even within his own Department, on the cumulative impact of the planned cuts. The coastguard station closures are compounded by the separate decision by his Department to end funding for emergency towing vessels. Let us not forget that they were a recommendation of Lord Donaldson's inquiry into the Braer disaster. The Select Committee report found:

"The decision to cease the MCA's provision of the Emergency Towing Vessels, which was made without consultation and against the findings of an independent risk assessment is unwise and short-sighted. It is, quite literally, inviting disaster".

The Secretary of State failed to consider the cumulative impact of the cuts being proposed by the MOD, not least the loss of the Nimrods and Sea King helicopters. The chief executive of the MCA told the Select Committee:

"It is fair to say that with the demise of the Nimrod we do not have the extent of search and rescue top cover that we had before."

As a result of its own cuts, the MOD will be without maritime surveillance capability after 2015, leaving a massive capacity gap that will only compound the impact of the Secretary of State's decision to close nearly half Britain's coastguard stations.

May I ask the Secretary of State to tell the House exactly how many jobs will be lost as a result of the closures that he has confirmed today? What is the grade and post breakdown for the jobs that will be lost? What estimate has been made of the cost of redundancy payments? Will he agree to carry out and publish a new detailed risk assessment of the revised proposals, so that it can be considered before the period of consultation begins? It is difficult to see how a genuine consultation can take place without such an assessment being carried out first. Will he also ensure that this new risk assessment is carried out jointly with the MOD? It is essential that we have joined-up government when it comes to the safety of our coastline. Will he commit to coming back to the House in person, following this further period of consultation, rather than briefing any further changes to the media—out of respect for our coastguards, if for no other reason?

The excellent report of the Transport Select Committee into these closures concluded:

"The evidence we have received raises serious concerns that safety will be jeopardised if these proposals proceed".

The confirmation that certain stations will remain open and the decision to retain 24-hour cover will be welcomed, but the revised set of proposals that the Secretary of State has set out today will not provide the reassurance that the public need and expect. The communities served by the stations that are to close in Clyde, Forth, Portland, Yarmouth, Brixham, Thames and Swansea, and my own local station in Liverpool, will be devastated at the loss of their local coastguard. The reality is that coastguards have seen their work loads increase in recent years, as our shipping lanes have become busier and they are called out to deal with more incidents. How can the answer be fewer operating bases? Improving the interoperability between the existing centres is surely possible without a reduction in the number of coastguard stations, with the loss of local expertise that this will entail. Axing one out of each paired station will lead to a considerable loss of local knowledge; it is incomprehensible that staff based in Belfast will have the same local knowledge about Liverpool bay as the existing local coastguards.

What the right hon. Gentleman must do now is not have a consultation on the changes announced today, but have a full new consultation on the entire set of proposals, following a fresh risk assessment and covering all of the proposals across government, including from the Ministry of Defence, that impact on the future safety of our coastline.

Mr Hammond: I do not remember the hon. Lady being quite so sanctimonious about briefing during the years that she was in government. She says that this is a victory for people who have protested up and down the country. I will tell her what it is: it is a victory for common sense and a victory for the consultation process. The Under-Secretary of State for Transport, my hon.

Friend the Member for Hemel Hempstead (Mike Penning), the shipping Minister, has been around coastguard stations up and down the country and received delegations from every coastguard station and every major seafaring community in the country and talked to them about their specific concerns. Working with the professional team at the coastguard agency, we have woven those concerns into the revised proposal that I have presented today.

The hon. Lady says that she cannot believe that the original proposals I presented included the loss of round-the-clock cover. That is a little strange, because the proposals I presented were those that my hon. Friend the shipping Minister found on his desk when he inherited the post in May 2010. The Labour party had failed to present those proposals publicly for fear of dealing with the fallout.

I recognise, of course, that the loss of a significant number of local stations is a blow to the communities that host them, but it is absolutely wrong for the hon. Lady to say that this process is driven only by the need to save costs, although there clearly is a need to save costs in the light of the chronic fiscal situation that we inherited from Labour. The fact is that the current structure of the coastguard does not reflect the technology or the concept of operations current today. We have to reinforce the ability to share work around the system, to deal with fluctuations in work load and variations in work load between different parts of our coastline.

I can tell the hon. Lady that risk assessments have been published and, in answer to her specific question, a further risk assessment relating to these proposals will be published. My hon. Friend the Under-Secretary tells me that he thinks that will be done within the next week.

I am somewhat bemused by the hon. Lady's foray into the area of Sea Kings and Nimrods since we are talking here specifically about the coastguard control centres. I would be happy to talk to my right hon. Friend the Secretary of State for Defence, but I do not believe that he wishes to make any further input into this process.

The hon. Lady asked me specifically about the total job losses. The total number of uniformed coastguards will, as a result of these proposals, fall from 573 at present to 436 once the transformation is completed by 2014-15. That includes coastguards based in the operational centres, coastguards deployed to support the front-line volunteer coastguard and a small number at Maritime and Coastguard Agency headquarters. I cannot provide an exact breakdown of the grades of the jobs that will be lost, but I am happy to write to the hon. Lady and place a copy of my letter in the Library in the usual way. I am also quite happy to confirm that I will make a further statement, either written or oral, once the consultation process is over.

If the hon. Lady had looked a little more closely at what we are proposing, she would understand that we have responded very effectively to the central thrust of the responses that we have received, which was about the loss of local knowledge and concerns about handing over from daytime operations to the 24-hour marine operation centre. The retention of one centre from each pair does answer the local knowledge question, and the example the hon. Lady gave, relating to her own constituency, is ill informed since Liverpool is actually paired with Holyhead, which will now be retained. She will find that the coastguards at Holyhead routinely deal with operations in Liverpool bay and have a working local knowledge of conditions in the bay.

I believe that these proposals are a robust solution to deliver a future coastguard service that will be resilient, effective and affordable into the 21st century.

Sheryll Murray (South East Cornwall) (Con): I did not hear an awful lot about safety in the Secretary of State's statement, but I did hear an awful lot about cost. Will my right hon. Friend please tell me why he has not already published the risk assessment relating to the proposals? A Minister told the House about three weeks ago in an Adjournment debate that there would be full consultation on the new proposals, so will my right hon. Friend explain why that Minister did not say then that the consultation would relate only to the adjustments? Will he reconsider and consult the experts—the coastguards themselves who work at the front line of every co-ordination centre around the coast—about these proposals and take on board what they have to say?

Mr Hammond: I understand my hon. Friend's specific local concerns; she has campaigned extremely hard on behalf of her local community and its concerns. Of course safety is paramount. This whole process is about making the coastguard service more resilient and more effective, and creating a proper career structure that will attract and retain the quality of people we need in a service that, frankly, has not had a good experience of industrial relations and personnel issues over the last few years. My hon. Friend says I should consult the experts; that is precisely what we have done. My hon. Friend the Under-Secretary has been around the country, talking to coastguards and has received countless delegations here, tapping into their expert knowledge. The proposals I have announced reflect that very useful input that they have made.

Mr Iain McKenzie (Inverclyde) (Lab): Will the Secretary of State comment on two points along the same lines as questions already asked? First, with the announcement that the coastguard station on the Clyde in Greenock in my constituency is to close, I must ask the Minister whether he feels that safety has been compromised, especially on the west coast of Scotland, which is a particularly challenging coastline with demanding waters and a big increase in shipping in the area. Is safety on the west coast of Scotland being compromised? Secondly, will the right hon. Gentleman comment on the number of job losses in my constituency that will result from the closure of this station?

Mr Hammond: On the safety issue, the hon. Gentleman will know that the proposal in the original consultation was also to close the station in the Clyde—and that position still stands. This questioning of whether the closure of local stations will compromise safety betrays, I think, a failure to understand how the coastguard works and operates. What is really important is that the part of the service that receives calls and directs front-line rescue operations is effectively networked together. At the moment, we have what I consider in the 21st century to be a frankly shocking situation whereby each coastguard station is able to communicate and share work with only one other coastguard station. If there is a surge of work on the west coast, for example, due to a particular

[Mr Philip Hammond]

weather pattern, it is impossible at the moment for that work load to be shared with stations on the south coast, the east coast or elsewhere in the United Kingdom. It is to deliver that resilience that these proposals have been brought forward. The professionals who have evaluated them and who advise us are quite clear that this will enhance the resilience of the system and thus the safety of seafarers and coastal communities around the UK. I am quite happy to write to the hon. Gentleman specifically on the job loss issues relating to his constituency.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. A great many Members wish to contribute. If questions and answers are shorter, most of them will, I hope, be able to.

Brandon Lewis (Great Yarmouth) (Con): My right hon. Friend will not be surprised to learn that I am disappointed that Great Yarmouth will not retain a station. However, I have supported the modernisation programme from the outset. The good news is that our twin station at Humber will now be open for 24 hours, so local knowledge will be retained, but I should appreciate some information about the number of job losses at Great Yarmouth. I know that the station is already slightly under-resourced, but if vacancies arise at the Humber station will Great Yarmouth staff have an opportunity to relocate and take their knowledge there?

Mr Hammond: I am grateful to my hon. Friend for the way in which he has dealt with the issue. We certainly hope that it will be possible to transfer staff from some of the stations that are closing to some of those that are remaining open. I can tell my hon. Friend that 25 full-time equivalent posts will be lost at Great Yarmouth; I can also save the taxpayer a stamp by telling the hon. Member for Inverclyde (Mr McKenzie) that 31 such posts will be lost at the Clyde station.

Bill Esterson (Sefton Central) (Lab): The news that Crosby coastguard is to close comes as a bitter blow to staff and to the public in my constituency and much further afield. Other Members have said the same about the closures of their own coastguard stations.

Many will view this as a cut too far, which poses a risk to public safety. Crosby has a number of experienced and outstanding staff who have key relationships with search and rescue staff, police officers and firefighters. They want to make the most of new technology, but they want to do so by using the existing network rather than through large, remotely located operations in Southampton and Aberdeen. In retaining the 24/7 stations that he has mentioned, the Minister has presumably accepted that new technology is most effective when combined with existing local knowledge and relationships, so why has he not allowed that to obtain at Crosby and the other stations that are set to close? Is the truth that this move has been driven by the Treasury?

Mr Hammond: The hon. Gentleman talks of "using the existing network", but, as I have just explained, there are no existing networks except between the paired stations. He talks of the local knowledge at Crosby, and asks why we have not applied the principle of retaining it there. We have: we are retaining the station at Holyhead, which is paired with Crosby and routinely operates in tandem with it, using the same areas of local knowledge around the north Wales coast and Liverpool bay area which both stations cover.

Sir Menzies Campbell (North East Fife) (LD): My right hon. Friend predicted huge disappointment, and in that respect at least I can agree with him. The proposed closure of Forth in my constituency will be received with profound disappointment, not least because of the unsatisfactory nature of the public meeting held by the MCA in Anstruther in February. Is my right hon. Friend aware that Aberdeen, which he proposes to retain, is the most expensive station in the United Kingdom—that excludes staff costs—while Forth has the lowest running costs in the UK? Is he also aware that in 2010, 40% of lifeboat launches in Scotland took place within Forth's area of responsibility?

The Forth station offers value for money, and is increasingly busy because of the increase in leisure and commercial traffic in and around the River Forth. Why on earth should it be a candidate for closure?

Mr Hammond: As my right hon. and learned Friend will appreciate, given that we have decided to retain one station from each pairing in order to respond to the concerns about local knowledge, there will inevitably be a series of questions such as his from Members representing the station in each pair that has not been selected for retention. A multi-criterian approach was adopted to the decisions about which station in each pair should be retained. I should be happy to explain to my right hon. and learned Friend the detailed logic behind the decision in this case.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): There is widespread concern at the prospect of the closure of coastguard stations, especially among the many people who use pleasure vessels and fishing vessels. Their concern matters as much as that of those in the commercial sector. I welcome the Government's acceptance, in full, of the Select Committee's recommendation of 24-hour cover in all stations, and their acceptance of the strong point made by the Committee about the significance of local knowledge. However, I must ask the Secretary of State whether he considers it credible that eight local closures will enable local knowledge and local team working to save the maximum number of lives.

Mr Hammond: First, let me restate my gratitude to the Select Committee for the time and trouble that it took over the inquiry. The hon. Lady will know, because she heard the evidence herself, that people who are closely involved with the service do indeed accept the need for change. As for local knowledge, it is precisely because the point about its importance was made so powerfully that we decided to look again at the original pairings of stations and see how the network could be organised around the retention of one station in each pair. Because of the way in which the pairs work, people working in either one of a pair of centres have full local knowledge of the entire coastline covered by both. We have addressed the concern expressed about local knowledge, while still building the resilience that the network needs for the 21st century.

Caroline Dinenage (Gosport) (Con): I welcome the news that there will still be a station in the Solent area, which, after all, is one of the busiest sea lanes in the world. May I encourage the Secretary of State to consider also retaining the new command centre in the Lee-on-the-Solent area, where it is currently located? Not only does it benefit from the experience and local knowledge that, as we have learnt, is so important, and also from an ideal location between Portsmouth and Southampton, but the MCA already owns a big site at Daedalus, where there is a runway, so its retention makes good financial sense.

Mr Hammond: The Daedalus site is certainly one of the sites being considered by the agency as a possible location for the marine operations centre, which will provide 96 jobs, but no final decision has yet been made.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): While I obviously have sympathy for Clyde and Forth, I am, of course, over the moon for Stornoway and Shetland. This has been a good campaign for my constituents in Stornoway. Praise to Comhairle nan Eilean Siar, and praise to Shetland Isles council; praise also to the shipping Minister, the Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), who visited, listened and genuinely consulted, and has the respect of many in the islands. The decision took account of distance as well as local knowledge. Can the Secretary of State reassure us that this is now a settled situation, and that we can look forward to a period of stability at the coastguard operation centres in both Stornoway and Shetland?

Mr Hammond: I am grateful to the hon. Gentleman, and I also thank him on behalf of my hon. Friend the shipping Minister. It is nice to receive an acknowledgment of some of the effort that goes into getting some of these things right.

Of course the proposals are subject to the consultation that I have announced, but we envisage this as a settled situation that deals with the long-running question of how we can modernise the coastguard not just to make it technically resilient, but to create a career structure and, indeed, a pay structure that will solve the deep-rooted and long-running industrial relations problems that have existed in the service.

Mr Greg Knight (East Yorkshire) (Con): I thank my right hon. Friend and his ministerial team for listening to the representations that I, and others, have made about the Humber coastguard. While this is clearly good news for my constituents who are employed in Bridlington, is not the overriding issue the need to improve the effectiveness and efficiency of the whole service? As the Humber station is in effect being asked to take on more responsibility, what will be the ultimate effect on staffing levels? Will they be increased rather than decreased?

Mr Hammond: What my right hon. Friend must take into account is that there will be a marine operations centre in the Portsmouth-Southampton area, with 96 staff operating 24/7. That will provide a great deal of back-up for all the operations in the country. At Humber there will be a loss of six full-time equivalent posts. The station, like all the other stations and sub-stations that are remaining open 24/7, will operate with a total of 23 staff and will work in networked tandem, 24/7, with the marine operations centre on the south coast.

Martin Caton (Gower) (Lab): The Secretary of State has completely failed to justify his decision to close Swansea and keep Milford Haven open. That makes absolutely no sense, certainly in maritime and coastal safety terms; it may make sense in terms of narrow party political advantage. Swansea is better strategically placed than Milford Haven and deals with twice as many incidents. Swansea also has a history of liaising with different police services across south Wales and south-west England, while Milford Haven has only ever dealt with Dyfed Powys. The MCA's original proposals recognised that if we had to get rid of one of the pair, Swansea was the one to retain. What is now proposed is a huge mistake. The consultation should not be about something that is settled; it should be a real consultation where we can make the case for Swansea.

Mr Hammond: As I said to my right hon. Friend the Member for East Yorkshire (Mr Knight) a few moments ago, I recognise that in the case of every pair there is likely to be some internecine warfare over which of them is to be selected. The hon. Gentleman says the original recommendation was to close Milford Haven and retain Swansea. That was based on an understanding within the agency then about onerous obligations in respect of the site and buildings at Swansea. It has subsequently become clear that they do not impose as great a financial cost as was first thought, and the view within the agency now is that there are no operational or financial considerations that dictate that the choice should be either Swansea or Milford Haven. The hon. Gentleman has completely failed to recognise that my Department already employs more than 5,000 full-time equivalent staff in and around Swansea. I am not sure whether we employ any staff in Milford Haven at present, but if we do the numbers will be very small. I believe that in these circumstances, and with no financial or operational drivers, the right decision is to distribute the employment opportunities as equitably as possible.

Sarah Newton (Truro and Falmouth) (Con): When the Government brought forward the original proposals, I greatly appreciated that they clearly said they were not a done deal. There has genuinely been a huge change from those original proposals, as the Government have listened to what coastguards such as mine in Falmouth have told them. However, it is clear from the contributions of my hon. Friends that there are still considerable concerns. Therefore, may I have a reassurance from the Government that over this 12-week period they will properly listen and take into account any further concerns that are raised about these proposals?

Mr Hammond: The consultation is about the parts of this proposal that differ from the previous proposal that is already being consulted on, so we will not receive further responses to the original consultation proposals, but we are open to responses to the changes in the four areas I outlined in my statement.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his statement and the hard work he has clearly done. I also want to put on record my thanks to

[Jim Shannon]

my colleague, the hon. Member for North Down (Lady Hermon), who along with me fought a strong campaign on behalf of the people of North Down and Strangford. I pay tribute, too, to the staff who have worked hard as well, and been very supportive. I should add that the shipping Minister was very courteous and helpful. He came over to Northern Ireland, and to Bangor, to see exactly what needed to be done and to hear the views of the people and explain the options.

The decision that has been made reinforces the position of Bangor and its status as a 24/7 station. It was a 24/7 station before this consultation process, but there was a proposal to downgrade it to a daytime station. The current proposal, however, is to maintain it as a 24/7 station, for which we are thankful to everyone involved. I am grateful to the Minister for what he has done.

In the penultimate paragraph of the statement, the Secretary of State refers to the consultative process that will take place. He does not specifically mention Bangor, however. Can I take it that in respect of the process outlined today the position of Bangor is secure? If that is the case, we will be very happy to welcome the shipping Minister and the Secretary of State to the Bangor station in the near future.

Mr Hammond: I am glad to be able to tell the hon. Gentleman that we consider that the issue of the potential closure of the station at Bangor was addressed in the previous consultation and there is no need for further consultation on that. I acknowledge the local issues he raised, but I should say that the decision to keep Bangor was made primarily on the basis of the national importance of having a station that could deal with the specific civil contingency issues in Northern Ireland and the very important relationships with the Irish Republic in search and rescue.

Guto Bebb (Aberconwy) (Con): I warmly congratulate the Secretary of State on his announcement today, which is most welcome in relation to Holyhead. May I also pay tribute to the hon. Member for Ynys Môn (Albert Owen) for his leadership of what was a strong cross-party campaign? Does the Secretary of State agree that the waters around north Wales will be safer as a result of this announcement because of the retention of local knowledge in Holyhead, not least the ability to recognise Welsh language place names?

Mr Hammond: I am glad that there was that outbreak of cross-party consensus. My hon. Friend is right that the concerns about Welsh language competence, and particularly recognition of Welsh place names, was one of the factors that determined the ultimate decision.

Nia Griffith (Llanelli) (Lab): Choosing to close one of each pair is more like a party game—or "The Apprentice"—than any rationale for designing a service. I do not want either Milford Haven or Swansea to close, but given what my hon. Friend the Member for Gower (Martin Caton) said about Swansea's expertise in covering the whole of the Bristol channel and north Devon and the volume of its work compared with that of Milford Haven, am I to understand from the Secretary of State's comments that he has made his decision not on who is best qualified and most experienced to do the job, but on what alternative employment is available, and is that really a rationale for providing the best service to the public?

Mr Hammond: If the hon. Lady had listened more carefully, she would have understood that there is no difference between Swansea and Milford Haven in terms of operational, technical or financial considerations. The professional advice we received was that either of those centres could provide the service required. Before the hon. Lady gets on her high horse about this, she should remember that the proposal my hon. Friend the shipping Minister inherited from the previous Administration when coming into office in May 2010 would have provided a single coastguard station in the whole of Wales. What we are proposing today gives Wales two coastguard stations and a very effective solution to protect the safety of Welsh coastal communities and seafarers.

Mr John Leech (Manchester, Withington) (LD): The shipping Minister should be applauded for the fact that the consultation process has led to the remaining stations being a 24-hour operation. That was very important, but can the Secretary of State clarify how these stations will operate alongside the proposed single maritime operations centre and can he assure me that this will not lead to any scaling down of operations at the remaining centres?

Mr Hammond: We have already set out how the local stations will operate, with 23 full-time equivalent staff. They will be permanently networked with the marine operations centre, which will have 96 staff in total, so that each centre will deal with a core base load of work, but will easily be able to transfer overload work via the marine operations centre, either to be handled at that centre or to be transmitted on to another centre elsewhere in the UK that is experiencing low work load at the time. This will be a genuinely national networked solution.

Mr Frank Doran (Aberdeen North) (Lab): I am obviously very pleased that there will still be a coastguard station at Aberdeen, but I am deeply disappointed that it has been downgraded from a marine operations centre to I do not know what status. Aberdeen is a crucial location because of the North sea oil and gas industry. My disappointment is mitigated somewhat because we have managed to keep the stations in Shetland and Stornoway, which is one positive measure. The station in Aberdeen has been gearing up for its new status, and there has been investment in new technology. What are the jobs implications of the fact that its status has been downgraded?

Mr Hammond: I understand the hon. Gentleman's concern, and I appreciate the measured way in which he has presented it. He will, perhaps, have to discuss the decision that has been made with my hon. Friend the shipping Minister. It is only by deciding to go for a single marine operations centre that we have been able to provide the resources to allow 24/7 operations to continue at eight other sub-centres around the country, and to deliver the result that reflects the consultation responses we received and the recommendations of the Select Committee on Transport in respect of local knowledge. To answer the hon. Gentleman's specific

question, Aberdeen currently has 31 staff. As a result of these proposals, it will lose eight full-time equivalent posts, operating like all the other sub-centres 24/7 with 23 full-time equivalent staff.

Dr Sarah Wollaston (Totnes) (Con): Twenty-five staff are employed at the Brixham maritime co-ordination rescue centre. I pay tribute to their dedication. Can the Secretary of State reassure those staff that they will be treated fairly when applying for jobs either at Falmouth or at the maritime operations centre? That is a real concern and will be essential to retaining local knowledge. I am concerned at the suggestion that those staff will not have an opportunity to contribute to the further consultation, because neither I nor anyone else in south Devon can understand how safety can be preserved with the closure of that maritime operations centre.

Mr Hammond: I am grateful to my hon. Friend for the measured way in which she makes her point. First, her constituents, like anybody else, will of course be able to respond to the consultation, but the consultation itself is limited to the issues that represent changes from the previous consultation. The coastguards employed at Brixham are civil servants. They will be entitled to be considered for deployment elsewhere in the civil service. Wherever possible—and where they are willing—we will look specifically to secure their knowledge and experience by redeploying them to other stations that will remain open. This process will take place over a number of years; it is not going to happen overnight. If at the end of that process there are people remaining who cannot be accommodated elsewhere in the service, they will be offered voluntary redundancy terms. We hope that it will not be necessary to make compulsory redundancies, and any that are made will be made only as a last resort.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): There will be considerable anger in Liverpool at the Secretary of State's announcement today. Can he tell the House how many jobs will be lost in Merseyside as a result of this decision, and what account, if any, he has taken of the concerns expressed by the Merseyside fire service about the implications for safety at sea?

Mr Hammond: We have taken account of all concerns that have been expressed to us through the consultation process. The hon. Gentleman will know that under the previous proposals, the Liverpool centre would have been reduced to 10 posts; therefore, today's announcement that it will close represents a net loss of 10 further jobs. He should also know—as he indeed does know—that my hon. Friend the shipping Minister has bent over backwards to try to accommodate the aspirations of Liverpool city council to change the status of the cruise liner terminal in Liverpool in a way that will create jobs and enhance the status of the city.

Peter Aldous (Waveney) (Con): I endorse the comments of my hon. Friend and constituency neighbour the Member for Great Yarmouth (Brandon Lewis), and I take some assurance from the fact that we are keeping the 24-hour service on Humberside. When it comes to harnessing local knowledge, my concern relates to leisure and tourism. Norfolk has a long coast, with remote beaches and currents that change, and Suffolk and Essex have plenty of estuaries. We are about to embark on the holiday season. I would be grateful for an assurance that it will be possible to transfer that detailed local knowledge to Humberside.

Mr Hammond: The Humber station already covers the coastline of Norfolk and part of Suffolk, and the people working there will have the experience and knowledge that my hon. Friend talks of. I would like to take this opportunity to remind hon. Members that part of the proposal involves reinforcing professional coastguard support for the volunteer coastguard operation. An additional net total of 32 uniformed officers will be deployed in direct support of the volunteer coastguard, further reinforcing the resilience and effectiveness of the service.

Dr Alan Whitehead (Southampton, Test) (Lab): When the Minister was proposing two marine operations centres, he proposed to have 96 staff at the Solent centre. Now that he is proposing one marine operations centre, he is still proposing to have 96 staff at the Solent centre. Does he envisage the service being half as good nationally or the staff working twice as hard?

Mr Hammond: Neither. The point about reducing the proposal to a single marine operations centre is that resources that are not deployed in the other centre will remain deployed in local stations around the country, which is the thrust of most of the representations that we received—that we should seek to protect and maintain local knowledge deployed in local stations. Resilience in the event of disaster will be provided by a ghost facility at Dover, which would allow the marine operations centre in the Southampton-Portsmouth area to be transferred en masse to Dover in the event of any catastrophe befalling the Southampton-Portsmouth area.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I warmly welcome the news that, subject to the consultation, Milford Haven will remain open. Will the Secretary of State join me in congratulating the work of the Save Milford Haven Coastguard group, the *Western Telegraph* and the *Milford and West Wales Mercury*, and my hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) on the measured way in which they put the case for our area and the wider Welsh community? Can he assure me that during the consultation, the unique nature of Milford as an energy hub for the whole of the UK will be taken into account?

Mr Hammond: I am happy to congratulate all those who have taken part in the process for the measured way in which, on the whole, they have done so. As he has travelled round the country, my hon. Friend the shipping Minister has found that behind what can sometimes be the public rhetoric, well thought through, well argued and sensibly considered proposals and cases have been put to him.

My hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) has asked me about the status of Milford Haven as a major port. I have said before—I will repeat it—that the professional advice that we have received is that either Milford Haven or Swansea could have delivered the requirement in south Wales from a technical, operational and financial point of view. Ultimately, we made the decision to come down on the side of Milford Haven in the interests of equity.

Albert Owen (Ynys Môn) (Lab): First, I pay tribute to all the volunteers, coastguards and full-time search and rescue crews operating helicopters and lifeboats around our coastline. I welcome the retention of the Holyhead station, which is based not only on the importance of the Welsh language, as has been noted, but on the links with 22 Squadron at RAF Valley. The Secretary of State mentioned a nationally networked system, as well as consultation. When that is set up, will he ensure that there is internal consultation of individual front-line coastguards, so that they can contribute to the best and safest network, one that is fit for the 21st century?

Mr Hammond: Yes, of course, that process is already under way.

Steve Rotheram (Liverpool, Walton) (Lab): Well, well, what a surprise! Faced with the choice, a Tory Minister decides to close a facility in Liverpool. I genuinely do not believe for a moment that the closure of the Liverpool coastguard station was agreed for any reason other than political expediency. If it was not, why was Liverpool left out of the original consultation document? The Minister cannot justify his decision. He has just mentioned that Liverpool may well get a cruise liner turnaround facility that will increase traffic along our corridors, but he has taken the easy political way out. He should reconsider his decision, based on the information that he has just presented—that Liverpool could indeed get a cruise liner turnaround facility.

Mr Hammond: Perhaps I am guilty of making a rod for my own back, Mr Deputy Speaker. I mentioned the cruise liner turnaround facility simply to demonstrate that my hon. Friend the shipping Minister is leaving no stone unturned in trying to help the maritime community around Liverpool, but the decision has been properly made, after a full assessment. The station at Holyhead will provide proper cover for the maritime areas that were previously covered by Crosby. To suggest that there is some kind of party political advantage—[Hon. Members: "Shameful!"] Frankly, it is not just shameful; it is also illiterate. The hon. Gentleman should look at the map.

Mr Alan Reid (Argyll and Bute) (LD): I welcome the retention of both Stornoway and Shetland on a 24-hour basis, which is a big improvement on the original proposals. However, the closure of the Clyde station leaves a huge area of sea between Bangor and Stornoway without any station, as can be seen from the illustrative map. As I said in the Westminster Hall debate, that coastline presents unique challenges. So far, we have had a genuine consultation. I think that the Clyde coastguard station should be kept. Will the Secretary of State agree to receive representations on that in the coming consultation?

Mr Hammond: No. I have made it clear that that will be outside the scope of the coming consultation. My hon. Friend said that the Clyde station covers a "huge area of sea". I understand that it is difficult to get out of that mode of thinking, but that is not the way to think about a networked 21st-century coastguard service. Belfast has been twinned with Clyde. The station in Belfast has the working local knowledge of the huge area of sea that has previously been covered by the Clyde station, and the arrangements that we have put in place are resilient and will serve us well for the 21st century.

Iain Stewart (Milton Keynes South) (Con): I very much welcome the Secretary of State's statement. I am a member of the Select Committee on Transport, so I know that he has clearly listened to many of the concerns that were identified, particularly on daylight-only operating. When we spoke to coastguards as part of our inquiry we were very struck by their willingness to modernise the service. May I invite him to say a little more about how the new maritime operations centre will harness new technology to augment the safety that the existing stations provide?

Mr Hammond: I am grateful to my hon. Friend and to the Committee for the work that it did. I suspect that he may get the prize for being the Member with the constituency furthest from the coast who has contributed to this discussion today. I would be happy to talk to him offline, but I sense that Mr Deputy Speaker would not encourage me to explain in detail the technical features of the new maritime operations centre.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What discussions has the Secretary of State had with the new Welsh Government about the proposal to aim the axe at Swansea rather than Milford Haven? Has he received any representations from new Welsh Ministers?

Mr Hammond: No, I have received no representations about the choice between Swansea and Milford Haven.

Dr Julian Huppert (Cambridge) (LD): I welcome the improvements to the original proposals that were floating around for some years. I particularly welcome not only the switch to 24-hour cover, which is essential, and the increase in the number of stations from that originally proposed, but the opportunity to improve coastguards' pay. Morale in the coastguard service has been very poor, and under the previous Government strikes took place—a very rare thing in this service. Ultimately, the purpose of this whole system is not about providing jobs, but about public safety. Can the Secretary of State assure the House that public safety will be preserved or improved by the modernisation and changes that he proposes?

Mr Hammond: I am grateful to my hon. Friend for that comment, and I can give him that reassurance. I can assure him further that the result we have come to and announced today is based on the input of professionals, who understand the needs of the system and the safety issues at stake. As he rightly says, not only the communications resilience and the IT resilience, but, above all, the improvement in morale that will be delivered by lancing the boil of the long-running industrial relations problem that has been festering in this service for many, many years will hugely improve the way in which the service is delivered and the safety it affords to our communities.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Given what the Secretary of State told my hon. Friend the Member for Aberdeen North (Mr Doran) about the loss of jobs under the new plans at the Aberdeen centre, it is hard to see that there will be any opportunity for workers from the Forth coastguard station to be redeployed to Aberdeen. Therefore, there is a real risk that their local knowledge will be lost.

Does the Secretary of State *really* expect us to believe that two stations on the entire east coast mainland of Scotland and England, at Aberdeen and Humber, will be able to provide the same kind of local knowledge that we have at the moment?

Mr Hammond: I am sorry to be repetitious, Mr Deputy Speaker, but those stations will be working fully networked with the marine operations centre at Southampton, which itself will have a much bigger complement of staff, and much better equipment and communications technology, 24/7. It will deliver the level of resilience and safety that we require.

On the first part of the hon. Gentleman's question, I understand why he made the statement that he did, but there is a degree of turnover going on within coastguard stations now, and we expect that, even in areas where the natural twin will not be recruiting additional staff, there will be opportunities for the redeployment of many, if not all, of the staff over the next three or four years.

Julie Hilling (Bolton West) (Lab): The Secretary of State said that he had listened to the consultations. All the coastguard stations said that they should remain open, reluctantly accepted that there should be change and also said that there should be more than 10 stations, so it seems to me that they were not particularly heard. I am disappointed that he is limiting the next bit of the consultation to the few points he has listed. Will he reconsider that decision, particularly if safety issues are raised?

Mr Hammond: No, I am afraid not, as a very extensive consultation has taken place. It lasted for 20 weeks, which is much longer than the Government's normal standard for consultation. We have responded in detail—the response is in the Library today—to that consultation process. The further consultation is simply about the changes that we have proposed since that document was published.

Fiona O'Donnell (East Lothian) (Lab): I am extremely grateful for your generosity in calling me, Mr Deputy Speaker, given that my Public Bill Committee duties meant that I could not be here earlier. The Minister may recall that I tabled a written question on the number of vacancies for watch officers at Fife Ness station, and I was alarmed to hear the number given. On Saturday, I will be at the Dunbar lifeboat day, celebrating, with the local community, the bravery, service and sacrifice of the Dunbar crew. I want to be able to reassure them that this decision was not taken before the end of the consultation and that Fife Ness was not being wound down. Did the Minister visit Fife Ness during the consultation?

Mr Hammond: The hon. Lady makes the important point that the uncertainty that this process has inevitably introduced has led, in some cases, to recruitment difficulties; there are unfilled posts within the coastguard service as we speak. Our hope is that the signals we are sending today on certainty, better pay, better conditions, better career progression and improved industrial relations will make it possible for the coastguard service to man up to the level it needs to be at to implement these changes and keep our coasts safe for the future.

Points of Order

2.26 pm

Kevin Brennan (Cardiff West): On a point of order, Mr Deputy Speaker. Would it be in order under the Parliamentary Witnesses Oaths Act 1871 for the Select Committee on Culture, Media and Sport, if it so chooses next week, to require witnesses appearing before it to do so under oath? Can you confirm that if they did appear under oath, any false evidence would be subject to the penalties for perjury under the Perjury Act 1911?

Mr Deputy Speaker (Mr Lindsay Hoyle): You are correct about the Act; the decision on whether to take evidence on oath is a matter for the Select Committee and therefore it would be for the Committee to do that. On perjury, you are absolutely correct.

Maria Eagle (Garston and Halewood) (Lab): On a point of order, Mr Deputy Speaker. Is it in order for the Secretary of State for Transport to table a written ministerial statement, as he has done today, that says only that an oral statement will be made later the same day? This appears to be a clear attempt to avoid committing to an oral statement on a matter of great importance prior to seeing whether Members of the House apply for and are granted an urgent question. It was only after an urgent question was granted that he agreed to make an oral statement today, thus leaving a written ministerial statement on the Order Paper purposeless and empty of content. Is this not an abuse of the WMS procedure? Surely it cannot be right for Ministers to attempt to manipulate the procedures of the House to attempt to avoid facing it in person in this manner. May we have your guidance please, Mr Deputy Speaker?

Mr Deputy Speaker: I am grateful to the hon. Lady for giving me notice of that point of order. I do not believe that there has been any breach of the House rules.

Jim McGovern (Dundee West) (Lab): On a point of order, Mr Deputy Speaker. I recently tabled a question for oral answer from the Department for Business, Innovation and Skills. In fact, I believe that it would originally have been Question 11 on the Order Paper today. I subsequently received a letter telling me that my question was outwith the Department's remit. It was about the computer games industry, which is a big business in my constituency—I repeat the word "business". Many people are involved in developing the games, which is innovation, and most people involved are graduates from the university of Abertay, which would suggest a high level of skills. I am at a loss as to why the question was refused. In which circumstances can Departments refuse to answer questions from people in this House?

Mr Deputy Speaker: I can completely understand the hon. Gentleman's frustration at losing the opportunity to ask an oral question, and that frustration builds up. Transfers are the responsibility of the Department and not me, and I know that the Table Office does its best to advise hon. Members of a possible transfer. The frustration carries on, but this is not a matter for me to decide.

Mr Edward Leigh (Gainsborough) (Con): On a point of order, Mr Deputy Speaker. We are just about to proceed to our business on the Sovereign Grant Bill, but because of the timetabling that has been agreed there will be no Second Reading. I know that you are not responsible for that, but it is worth putting down a marker that these are very important subjects. We have waited since 1760 for this important reform but I am not sure that it is so desperately urgent that we do not need Second Reading. Perhaps in future we can so conduct our business, particularly with sensitive matters such as this, which concern the Head of State, so that we get a Second Reading of important Bills.

Mr Deputy Speaker: Let us see what the Minister says when he moves the motion.

BILL PRESENTED

CYCLES (PROTECTIVE HEADGEAR FOR CHILDREN) BILL

Presentation and First Reading (Standing Order No. 57)

Annette Brooke presented a Bill to require the wearing of protective headgear by children while riding cycles; to prescribe penalties for contraventions; and for connected purposes.

Bill read the First time; to be read a Second time on Friday, 4 November 2011, and to be printed (Bill 220).

Sovereign Grant Bill (Allocation of Time)

2.31 pm

The Chancellor of the Exchequer (Mr George Osborne): I beg to move,

That the following provisions shall apply to the proceedings on the Sovereign Grant Bill:

Timetable

1.–(1) Notwithstanding the practice of the House as to the interval between the various stages of a Bill brought in upon a financial resolution, proceedings on Second Reading, in Committee, on Consideration and on Third Reading shall be completed at today's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion at 2.30 pm.

(3) Proceedings in Committee and on Consideration shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm.

(4) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 6.00 pm.

Timing of proceedings and Questions to be put

2. When the Bill has been read a second time—

(a) it shall (notwithstanding Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3.–(1) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Speaker or Chairman shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

6. If two or more Questions would fall to be put under paragraph 4(c) on successive amendments moved or Motions made by a Minister of the Crown, the Chairman or Speaker shall instead put a single question in relation to those amendments or Motions.

7. If two or more Questions would fall to be put under paragraph 4(d) in relation to successive provisions of the Bill, the Chairman shall instead put a single Question in relation to those provisions.

Miscellaneous

8. Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

9.–(1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

10. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

11.–(1) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to re-commit the Bill.

(2) The Question on any such Motion shall be put forthwith.

12.–(1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

13. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Emergency debates) at today's sitting before the conclusion of any proceedings to which this Order applies.

14.–(1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

15. Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

16.–(1) Any private business which has been set down for consideration at 3.00 pm at today's sitting shall, instead of being considered as provided by Standing Orders, be considered at the conclusion of the proceedings on the Bill today.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the private business for a period of three hours from the conclusion of the proceedings on the Bill or, if those proceedings are concluded before the moment of interruption, for a period equal to the time elapsing between 3.00 pm and the conclusion of those proceedings.

We are going to follow a rather unusual procedure here, I think, because we have run out of time for Second Reading. I looked to the Chair for guidance on how to handle that and I suggest that as we have some time for debate in the Committee of the Whole House this afternoon we should use the time on clause 1 stand part to have, in effect, a Second Reading debate. Since no amendments were tabled to that clause; either, that is fine. As I understand it through the usual channels, the official Opposition are happy with that. That will address the concerns of my hon. Friend the Member for Gainsborough (Mr Leigh) and we can have what feels to the House like a Second Reading debate albeit on clause 1 stand part.

2.32 pm

Ed Balls (Morley and Outwood) (Lab/Co-op): We are clearly making a momentous decision today with the biggest change in the royal finances since 1760, so it is obviously important that we should have a full debate. We had a full debate a fortnight ago and we have that opportunity again today. Given the fact the statements have run on so long, the Chancellor is correct to say that we have a difficulty. The Opposition will be happy to have a full debate on clause 1 stand part and obviously the sooner we start that debate, the better.

Mr Edward Leigh (Gainsborough) (Con): On a point of order, Mr Deputy Speaker. I just need your guidance as I have a particular general point that I wanted to make. It pertains to clause 13 but I would normally have made it on Second Reading. Will you immediately call me to order if I seek to raise it?

Mr Deputy Speaker (Mr Lindsay Hoyle): I think we will need to listen to what the hon. Gentleman has to say.

2.33 pm

Mr David Winnick (Walsall North) (Lab): I emphasise that my remarks have nothing to do with the measure we will debate today. We can express our views on that one way or the other if we wish. My concern is that we are going to take all stages in one day—we are not, in fact, because we will not even have Second Reading. When Ministers come along, as the Chancellor has today, and argue that it is important to deal with all stages of the Bill in one day they might make their case, but that does not mean that the House should be complacent about the procedure. Last Thursday, the same procedure applied. We had all stages of the Police (Detention and Bail) Bill in one day and the Home Secretary explained its urgency, but even on that occasion I expressed my concern over the way in which we were hurried.

I consider this way of presenting measures to the House and telling us that everything has to be done quickly in one day to be undesirable. What will happen when the Bill goes to the other place? It will have a Second Reading, perhaps, which it has not had here, but the rest of the stages will be taken formally. I want to ask a question about motions such as this one on the allocation of time. What other measures are going to be introduced in the same way? The procedure being pursued shows disrespect to the House. Yes, Ministers always have an excuse for why things must be done in such a hurried way, but it is undesirable and it should not be repeated except on very rare occasions. I want to register my protest accordingly.

2.35 pm

Keith Vaz (Leicester East) (Lab): I will detain the House for only a very short time. First, I strongly agree with the comments of my hon. Friend the Member for Walsall South—

Mr Winnick: Walsall North. Walsall South is your sister.

Keith Vaz: Walsall North (Mr Winnick); my hon. Friend is definitely not my sister, my hon. Friend the Member for Walsall South (Valerie Vaz)—I would have recognised that. I agree with what he said and I thank him.

I think the Chancellor of the Exchequer and the shadow Chancellor are trying to be helpful but there were issues that I wanted to raise on Second Reading concerning the Act of Settlement and my Bill on the removal of primogeniture, which is currently before the House and ought to be considered alongside the very sensible changes being made by the Chancellor in clause 9 of this Bill, which gives a female heir of the Duke of Cornwall the chance to get a settlement equal to a male heir. I agree with what the Chancellor and shadow Chancellor have said, but there is no opportunity to raise these issues if we simply have a debate on clause stand part instead of on Second Reading. Like the hon. Member for Gainsborough (Mr Leigh), I should like to know whether it is your intention, Mr Deputy Speaker, to allow a clause stand part debate to proceed as if it were Second Reading, thus enabling us to raise concerns about the modernisation of the Act of Settlement, which as the hon. Gentleman has said, we have been waiting to do for two centuries.

Mr Deputy Speaker (Mr Lindsay Hoyle): The stand part debate on clause 1 will be quite broad.

2.37 pm

Paul Flynn (Newport West) (Lab): May I raise an issue in support of the points that many people have made about the role of the monarchy outside the well-known ceremonial role—the crucial role of Head of State? This matter gets little or no attention. The Conservative historian, Robert Rhodes James, a former colleague of ours, gave a lecture in Cambridge, which was largely ignored, about a time when the role of the monarchy might have been absolutely crucial in our history. It was at the time when the skids were under Margaret Thatcher and everyone wanted her to go and tearful members of the Cabinet were coming to No. 10 Downing Street asking her to go. Robert Rhodes James, who was a very distinguished and respected Member of the House at that time, said that the Conservative party suddenly became terrified because there was a possibility that Mrs Thatcher might call a general election and she could not have been stopped by the Conservative party, the Cabinet or the House of Commons.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We are talking about the allocation of time. I know that history is part of time but I am not sure it is relevant to the Bill.

Paul Flynn: This point is crucial to why we need extra time. This issue is virtually unknown, but it is important because the only person who could then have stopped Margaret Thatcher from acting in her own interests rather than in the national interests, as she might well have been elected, was the Queen. This is a question about the personality of the monarch, because the strong personality of the monarch might have been vital then. This matter is so important that we should have a greater allocation of time and a full debate.

2.38 pm

Mr Denis MacShane (Rotherham) (Lab): It is a serious point that we are rushing through today a fundamental change. Reference has been made to 1760, so we are proposing in two hours, if that, to change what has been in place for more than 200 years. There has been virtually no publicity in the press. For obvious reasons, we have been dominated in the House and in the public sphere by other events since the Chancellor and the shadow Chancellor first spoke on this issue and since the Bill was read the First time two weeks ago. At that time, of course, none of us would have imagined what would be the only story dominating the press.

This is profoundly important. My right hon. Friend the Member for Leicester East (Keith Vaz), who is the Chair of the Home Affairs Committee, has made his significant points; there are others. The one that most concerns me is that if passed—I have questions about the level of financial support—there can never be any change, because the provisions will not be debated in the same way as the civil list is debated each time the monarch changes.

We are setting in perpetuity a system for paying the royal family that cannot be challenged thereafter. Even George III would have baulked at that—*[Interruption]*—even though some Conservative colleagues from a sedentary position seem to think that it is a good idea. Therefore, should we not put this off? Festina lente. We do not need to rush this through today. We could return to the Bill in the autumn. We could then have a proper debate and proper public discussion, and deal with it properly.

2.40 pm

Ian Paisley (North Antrim) (DUP): Members want to go back to 1700 and something. I am happy to go back to 1690. *[Interruption.]* Given the week that we are in, we are close enough. At home, we often say, "We won the battle, but they kept the river." In this instance, I am happy to support the Government and go with the proposal.

2.41 pm

Jacob Rees-Mogg (North East Somerset) (Con): I am—

Chris Ruane (Vale of Clwyd) (Lab):Going back to 1066.

Jacob Rees-Mogg: I am not going to go back to 1066, but I am not sure whether it was auspicious to schedule the debate for Bastille day. Debating the monarchy today of all days might not have been wise, but to limit the debate so much is not necessarily as constitutional as it ought to be, and perhaps Her Majesty's Government might like to bring the Bill back, as the right hon. Member for Rotherham (Mr MacShane) suggested, when we can have a little bit of time for a proper debate on Second Reading.

Question put and agreed to.

SOVEREIGN GRANT BILL

2.42 pm

Question put forthwith (Order, this day). That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Sovereign Grant Bill

Considered in Committee

(*Order, this day*)

[MR LINDSAY HOYLE *in the Chair*]

The Chairman of Ways and Means (Mr Lindsay Hoyle): The Committee will have seen from the provisional selection list that I have selected a number of manuscript amendments tabled by the Minister this morning. I would not as a rule select such manuscript amendments without good reason. I can see no reason why they were not tabled in the proper time, but in the unusual circumstances of the Bill, I am prepared to select them.

Clause 1

THE SOVEREIGN GRANT

2.43 pm

The Chancellor of the Exchequer (Mr George Osborne): I beg to move, That the clause stand part of the Bill.

I concede that we are engaged in a rather unusual procedure. To have what I hope will amount to a Second Reading debate, we will debate clause 1 stand part. Clause 1 will create a sovereign support grant and so, in effect, it lies at the heart of the Bill. I completely respect and understand what has just been said by hon. Members on both sides of the House. I would point out that we had something akin to a debate on Second Reading a couple of weeks ago, when we debated the principle for several hours. I freely concede that we did not have the Bill in front of us.

I was following the procedure established over many decades, and I worked with the Clerks and, indeed, through the usual channels to try to create something akin to a debate on Second Reading a couple of weeks ago. Our intention was to debate the Bill in Committee and on Report on the Floor of the House, because it is a constitutional Bill. In effect, the House of Commons will have two days on the Floor of the House to debate the legislation, but I am the first to accept that we have adopted a rather archaic procedure. I am glad that we used a bit of modern innovation to allow this debate to take place under clause 1 stand part.

2.45 pm

Mr David Winnick (Walsall North) (Lab): Obviously, I have listened to what the Chancellor said, but will he bear in mind that we did precisely the same thing last Thursday, on a subject that is not his responsibility? It is all the more irritating that on two successive Thursdays we have had this situation in the House.

Mr Osborne: I cannot speak on what happened last week, but I would just draw the hon. Gentleman's attention to this distinction: two weeks ago, on the Floor of the House, we had something like a Second Reading debate about the principles of the Bill. In the comprehensive spending review statement last October, I set out how we proposed to proceed on the subject; that was quite well known. There is not a great deal of surprise about the idea in the Bill of a sovereign grant, linked to the revenues of the Crown Estate and so on. As I say, I accept that the procedure is rather unusual, but the effect is that the House had something akin to a Second Reading debate a couple of weeks ago, and we will use the debate on clause 1 to have something akin to a Second Reading today, too. I hope to address all the issues that people raised two weeks ago in my response on clause 1. Of course, we will have time later today to go through other parts of the Bill.

Paul Flynn (Newport West) (Lab): A fortnight ago, the House was exceptionally thinly attended, even for a Thursday. Will the Chancellor tell the House when Back Benchers were informed that the Bill was coming before the House?

Mr Osborne: The problem that Parliament had was that under the procedures of the House, we had to receive a gracious message from Her Majesty the day before. I do not expect the hon. Gentleman to agree with the procedure, given his broader views on the monarchy, but we had to wait for that gracious message before making it publicly known that we would have a debate in the House. That is what happened. I spoke to the official Opposition, and the Prime Minister spoke to the Leader of the Opposition a week earlier, but I accept that the debate was not as fully attended as it might have been. However, we did spend a couple of hours discussing the matter a couple of weeks ago, and there were quite a number of speeches made, so even though the debate was not as fully attended as, for example, yesterday's proceedings in Parliament, attendance was not that dissimilar to attendance today. Of course, there has been lots of notice of today's debate.

Paul Flynn *rose—*

Mr Osborne: I will give way, and then I should probably make some progress on clause 1 stand part.

Paul Flynn: I do not think it is fair to blame the monarch for the way in which the measures were rushed into the House. Normally, if there is a change to business, a business statement is made to the House as early as possible; I cannot remember one being made at all in this case. Most hon. Members had other pressing business on that day, and only those who were here in the morning had any idea that the measures were going ahead.

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. I have sympathy for the hon. Gentleman, but we have just decided on the process that we are following; we now have to stick with where we are.

Mr Osborne: All I would say is that I have followed the advice of the House authorities throughout. The procedure has been unusual. People have said that this is the most important change since 1760, but of course in the early 1970s the House made some significant changes, so we are partly following procedures laid down then.

Let me get on to the substance of the Bill. Everyone has now had a chance to read it. Amendments have been tabled by Opposition Back Benchers, Opposition Front Benchers, and Government Front Benchers, and I shall say something about that. We have basically accepted some of the amendments that the shadow Chancellor and his team tabled, and I will explain why later.

[Mr George Osborne]

I will begin, as we should do on such occasions, by putting on the record the House's gratitude for the service that the Queen has provided to our country over many decades. Indeed, her time on the throne recently exceeded that of George III and she now has Queen Victoria in her sights. The recent visit by the Duke and Duchess of Cambridge to Canada and California reminded us that other members of the royal family also make an enormous contribution. As I said a couple of weeks ago—it is a view shared by nearly everyone in the House—we want a system that provides the Queen with dignity and allows her and her family to do their official jobs, which in her case is Head of State, but to do so in a way that is accountable, transparent and delivers value for money for the taxpayer.

The current system of financial support has some very serious shortcomings. It is very inflexible, so money saved in one spending area such as travel cannot be spent in another area such as the maintenance of royal palaces. It is not very transparent, as the National Audit Office is not the auditor of royal finances; that is done by the permanent secretary to the Treasury. I pay tribute to my hon. Friend the Member for Gainsborough (Mr Leigh), the former Chair of the Public Accounts Committee, for the work it did in recent years to look at value for money studies on particular areas of royal financing, which has been quite opaque and which this Bill seeks to change. Critically, the current system has relied on a reserve of public money that was built up over the past 20 years and is now depleted. That was a crucial part of the royal household's annual funding for the continuance of their official duties. That money has run out, so in other words the system is broken and we have to fix it.

Mr Kevan Jones (North Durham) (Lab): Does the right hon. Gentleman agree that if we are to have true transparency in the costs of the royal household, we need to know about all expenditure, including, as I suggested a couple of weeks ago, the contribution made to the household by the Ministry of Defence in terms of staff? We learnt last week from *The Mail on Sunday* that Prince Charles has apparently objected to the full costs of the royal flight being put on the royal household, which effectively means that the MOD is subsidising the household. If we are to get the true costs, do we not need full transparency on everything paid to the royal household?

Mr Osborne: I will move on shortly to some of the issues that the hon. Gentleman raised two weeks ago on the use of accommodation on the royal estate, for example by the MOD, and say something on that and other areas of royal spending. The Bill establishes a distinction between the royal family's public expenditure and their private finances. It is a long-established principle of the system that their private finances, for example from the Duchies of Lancaster and Cornwall, are their private money. There are checks and balances on that, such as the Chancellor of the Duchy of Lancaster having to be a member of the Government. We are saying that all the royal family's public expenditure, which goes to their official duties and those parts of the royal estate that are not part of their private income or assets, should all now be auditable by the National Audit Office and that the Public Accounts Committee should be able to look at it. That is a fairly dramatic increase in the transparency before Parliament.

Mr Kevan Jones *rose—*

Mr Ian Davidson (Glasgow South West) (Lab/Co-op) *rose—*

Mr Osborne: Let me just answer this point before giving way again.

Although I do not want to speak for the Comptroller and Auditor General or the PAC, I suspect that if they wanted to look at the funding arrangements between the MOD and the royal family, they would be able to do so under the provisions of this Bill.

Mr Jones: A couple of weeks ago I welcomed the increased transparency in the auditing process that the proposals bring forward, but if we are to determine the size of the sovereign grant—it is £30-odd million a year—surely a good starting point would be to find out what the actual cost of the royals doing their public duties is. I accept that some of the things the Ministry of Defence does are directly linked to the royals' public duties and I do not suggest for one minute that the royal household should subsidise that, but surely to determine the size of the sovereign grant we need a better understanding of all costs coming from the public purse, whether from the Ministry of Defence or any other Government Department.

Mr Osborne: Let me give way to the hon. Member for Glasgow South West (Mr Davidson) and then I will answer both hon. Gentlemen's points.

Mr Davidson: The Chancellor mentioned his view that income from the Duchy of Cornwall and the Duchy of Lancaster is private money of the royal family. Surely he recognises that in the previous Parliament the Public Accounts Committee established quite clearly that that is not the case—that this is not the private property of the monarch or her family but a trust established by the nation in order to fund the various members of the royal family. That is different from saying that it is the private property of the royal family themselves.

Mr Osborne: I should make it clear that it is an established principle that the income from that property, which is held in trust, is for the private purposes of the royal family.

In response to the hon. Member for North Durham (Mr Jones), I point out that there are of course some areas of royal financing—I will come on to say something about royal protection—where it is very difficult to be public about some of the sums of money involved. The Bill—I hope that we will soon get into the meat of it—is a mechanism for helping to continue the current level of spending. As I say, it is perfectly within the rights of the National Audit Office and the Public Accounts Committee, if they want to, to look at payments from the Ministry of Defence, but that has to be a matter for them.

Matthew Hancock (West Suffolk) (Con): As the most senior member of the Public Accounts Committee in the Chamber—because I am the only one here—I think

that I speak for everybody on that Committee when I say that we welcome the additional transparency and very much look forward to bringing the royal household before it to answer the questions that have rightly been raised across the Chamber.

Mr Osborne: I thank my hon. Friend. When the Chair of the PAC, the right hon. Member for Barking (Margaret Hodge), spoke in the debate two weeks ago, she was very generous in her tribute and made it pretty clear that the PAC would be getting to work on its job. I served on the PAC, as its most junior member, with the hon. Member for Glasgow South West, and I remember us making an interesting visit to Kensington palace to investigate royal finances. For some years, therefore, the PAC has been establishing a reputation for examining the books in this area.

Paul Flynn *rose—*

Mr Kevan Jones *rose—*

Mr Osborne: I would like to make a little progress, if both hon. Gentlemen will allow me. Let me say a little more about the Bill, and then I will be happy to take questions.

Clause 1 proposes the creation a sovereign grant designed around three principles. First, it is sustainable, so that it provides reliable, long-term financing for the sovereign that is free from annual political argument but gives the House of Commons proper checks and controls. Secondly, it is flexible in dealing with the problem I described whereby money saved on travel cannot be spent on palace maintenance and vice versa. Thirdly, it is accountable, as I have been saying, because of the historic increase in parliamentary scrutiny of royal expenditure.

The Queen is one of the few Heads of State in the world who is genuinely completely above the party political fray. I want to take this opportunity to thank my opposite number, the shadow Chancellor, and his team for conducting themselves in a very proper way as the loyal Opposition in asking questions. We will come on to the questions that he has rightly asked. *[Interruption.]* I suggest that his Parliamentary Private Secretary, the hon. Member for Vale of Clwyd (Chris Ruane), banks this moment, because it might not come again in this Parliament. We have tried to be as open as possible. I know that members of the shadow Chancellor's team met the Treasury officials on the Bill team yesterday. As I will explain, I propose to accept a couple of his amendments.

The shadow Chancellor asked four questions in the debate two weeks ago. I propose, for the rest of my remarks, to answer those four questions. It will be up to him and the House to decide whether they are adequate answers, but I thought that that was the best way to approach this matter. His first question was about the level of the sovereign grant, the second was about the mechanism for uprating it, the third was about the new arrangements for greater parliamentary scrutiny, and the fourth, which relates to some of the interventions we have just heard, was about the way in which the Government provide other forms of support to the royal family. I will take each question in turn.

3 pm

On the level of the sovereign grant, as we discussed two weeks ago, for many centuries the Government of the day have used taxpayers' money to fund the official duties of the monarch. In return for that financial support, every King and Queen since George III in 1760 has agreed to surrender for their lifetime the full income of the Crown Estate to the Government. Nothing in the Bill changes that. The Crown Estate's profits will continue to flow into the Exchequer, as they have done for the past 250 years, and we will continue to use them for general public expenditure. The funding for the monarch will continue to be provided by the taxpayer out of the money voted in the estimates.

Our approach is new in the sense that we are choosing a new reference point for the calculation of the support that we give the sovereign. We propose that the Queen should receive a grant equivalent to 15% of the profits made by the Crown Estate in the financial year two years earlier. To put it another way, the sovereign grant in 2013-14, which is the first year in which the mechanism will operate, will be equivalent to 15% of the Crown Estate's profits in 2011-12. Why do it in that way? We could of course have chosen some other measure. We chose this mechanism partly because it establishes the historical connection between the Crown Estate and financial support for the monarch. The real reason was that we were looking for a mechanism that was broadly in line with the economy and that would be more permanent.

One important change in the Bill, which was referred to in the debate on the time resolution, is that we will no longer require Parliaments—I hope future Parliaments—to pass primary legislation within six months of the arrival on the throne of a new monarch, which is the case under the civil list arrangements. We are trying to establish arrangements that are not to do with the current personality of the monarch, but that endure beyond that and allow the royal household to plan for the future with certainty.

Jacob Rees-Mogg (North East Somerset) (Con): Will my right hon. Friend confirm that in the theoretical circumstance that a new monarch decided to keep the Crown Estate revenues, it would be open to such a monarch to do so?

Mr Osborne: I think that that is pretty unlikely and pretty theoretical, to be honest. Since 1760, it has been an established precedent that the monarch hands over the revenues of the Crown Estate to the Government of the day. There are many powers that we vest in our monarch. The Queen has wisely, like her predecessors, chosen not to use those powers. As I say, I think that that question is pretty theoretical.

Paul Flynn: In the debate two weeks ago, the Member who represents the middle ages, the hon. Member for North East Somerset (Jacob Rees-Mogg), suggested that the Queen paid income tax at a higher rate than any other citizen. Will the new arrangements be so transparent that we know the precise rate of tax the monarch pays and whether the monarch gets the expected windfall of revenue from wind and tidal generation in their 15%? If that revenue becomes excessive, will it be curtailed to a suitable level?

Mr Osborne: I will deal in my remarks with that specific point about what will happen if the revenues of the Crown Estate suddenly grow beyond people's expectations, or even in line with the expectations of those who think that there will be a windfall from the marine estate.

Tristram Hunt (Stoke-on-Trent Central) (Lab): The guidance to the Bill suggests:

"The Crown Estate is not the sovereign's private property".

However, we know that in 1760, as the guidance states, George III

"surrendered these revenues (but not ownership of the capital assets)".

Where do we stand on the clarity of ownership?

Mr Osborne: It is understood that there are certain pieces of property, such as Buckingham palace, Windsor castle and the Crown Estate, that belong to the institution of the monarchy, and certain pieces of property and assets that are the private property and assets of the Windsor family. That is a well-established precedent and has been recognised by the House for many decades. Nothing in the Bill changes that.

Mr Davidson: Will the Chancellor of the Exchequer give way on that point?

Mr Osborne: I will give way on that point and then make some progress on clause 1.

Mr Davidson: I am very grateful. The Chancellor is undoubtedly correct that some pieces of property are tied in with the institution of the monarchy, such as Buckingham palace, but the coastline of Scotland and the undersea surface are not intimately connected with the monarchy and have never, as far as I am aware, been visited by the monarchy. In those circumstances, I am not clear why the two categories are being conflated. Surely it would be better, if the Chancellor wants a method that is tied to growth in the economy, if it were simply tied to, say, gross domestic product. If GDP went down the Queen and the monarchy would suffer the same as the rest of us, and if it went up, they would benefit in line with the rest of us. That would be better than tying the fund to a measure that I envisage will make it grow at a far greater rate than the economy as a whole.

Mr Osborne: First, I do not want to speak for the Queen, but I think she is quite familiar with the Scottish coastline.

Chris Ruane (Vale of Clwyd) (Lab): Underwater?

Mr Osborne: Let us try to keep focused on the issue at hand.

Secondly, I completely accept that I could have brought other mechanisms before the House, but the Crown Estate is a large commercial property company that is run in a pretty conservative way. It is not a bad proxy for how the country and the economy are doing. That is why we are proposing this mechanism, but of course if people want to propose something else they are entitled to do so.

Mr Kevan Jones: Will the Chancellor give way?

Mr Osborne: May I make some progress before taking a few further interventions?

I should just mention, although the change to the Duchy of Cornwall is in a later clause, that as I explained to the House a couple of weeks ago, all Dukes of Cornwall are heirs to the throne, but not all heirs to the throne are Dukes of Cornwall. As a result, there is potential for there to be an heir to the throne who was not the Duke of Cornwall, because the Duke of Cornwall can only be the eldest son of the monarch. The heir to the throne could be either a daughter, granddaughter or grandson of the monarch, and they would not have access to the duchy's income. The Bill proposes a change to that, but does not propose to change the Act of Settlement.

Keith Vaz (Leicester East) (Lab) *rose—*

Mr Osborne: I suspect that the Chairman of the Home Affairs Committee wants to intervene on that point.

Keith Vaz: I feel very guilty that the Chancellor has been speaking for so long and, because of all the interventions, is only on clause 1. I will not detain him for long, but I thank him for giving way. Will he update the House during the course of his speech, if he ever gets to complete it, on the negotiations that have been conducted by the Deputy Prime Minister with the Prime Ministers of 17 other Commonwealth countries, and let us know whether there has been any progress on the matter?

Mr Osborne: I think I will leave it to the Deputy Prime Minister to update the House on that. It is one of the many benefits that come from being Deputy Prime Minister that he gets to conduct these important negotiations. *[Interruption.]* They are extremely important negotiations. The right hon. Member for Leicester East (Keith Vaz) makes a good point in reminding the House that this question involves a lot of other countries. That explains why something that people assume would be quite simple to deal with in the House of Commons is not.

Let me talk about the actual numbers. How much is 15% of the Crown Estate profit, and how does it compare with what the royal family has spent in recent years on its official duties? In 2006, they spent £33 million; in 2007-08, they spent £35 million; and then £37 million and £34 million. The latest annual accounts, which were last week, showed that they spent £32 million. The amount varies a bit, because one-off capital projects are either undertaken or not in given years, but the average of the past five years is £34 million. It is interesting to note that it was £49 million 20 years ago, so the latest figure shows quite a dramatic reduction compared with what they used to spend. In real terms, the reduction is more than 50%.

Mr Kevan Jones: That is very interesting, but if we do not know which Government Departments are subsidising the royal household, how can we tell whether those efficiencies are real ones? I suspect that in some cases, Departments are cross-subsidising them. At the moment, the grant in aid for certain palaces comes from, for example, the Department for Culture, Media and Sport.

I know that in 1999, Marlborough house was included as part of that. Will there be limitations on what other royal properties can be added so that the sovereign grant can be spent on them?

Mr Osborne: I will get back to the hon. Gentleman specifically on that point—I do not have specific information on Marlborough house with me at the moment—but on his broader point, for the first time, we will allow the National Audit Office to crawl over the arrangements that he describes.

I was going to go on to explain that some senior members of the Ministry of Defence and our military live in properties that are rented from the Crown Estate at below the market rate. The properties are within extremely secure zones, and it would not be possible to rent them to virtually anyone else. That arrangement suits the MOD, because it gets properties—not very many—at below the market rate, and equally, it suits the royal estates, in that they can rent out properties that they would not be able to rent out otherwise.

Let me talk about those sums. As I have pointed out, the average over the past five years is £34 million, which is much less than 20 years ago, when it was £49 million. In 2013-14—the first year in which the new sovereign grant mechanism will apply—the level will be determined by the profits in 2011-12, as I said earlier. We do not know precisely what those profits will be, because we are in the middle of the financial year, but the recently published Crown Estate annual report for last year showed profits of £231 million, and the Crown Estate confirms that that is pretty much what it is expecting in profits for 2011-12. The result of all that—this is the key point for the House—is that the sovereign grant in 2013-14 would be £34 million, which is in line with the average for the past five years. I would not say that that is a coincidence, because we have partly designed the mechanism to ensure that that has happened.

If projections for the Crown Estate are correct over the rest of this Parliament, we should see a real-terms cut of up to 9% in the funding for the official duties of the sovereign in that period.

Mr Davidson: The Chancellor will be aware, from discussions on the Scotland Bill, of a proposal for part of the Crown Estate to be devolved to the Scottish Parliament in Edinburgh, or handed to local authorities, community groups and so on. What would happen to the Crown Estate and the money going to the royalty if that proposal were passed?

Mr Osborne: That is not something that the Government are proposing today. If we were to propose it, we would of course address the impact of such a decision on the royal finances. I am assuming that even under such arrangements, the Queen would remain the Queen of Scots. I believe that most of us are happy with the current arrangements.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the Chancellor give way?

Mr Osborne: I will give way, but then I really must make more progress.

Mr MacNeil: Will the money from the Crown Estate be paid directly to the royal family or will it go to a third party?

3.15 pm

Mr Osborne: The money is not paid directly. It comes into the Exchequer, like other revenues, and is then paid out to the royal family. It is paid out of general public funds through estimates voted by Parliament. The only link is that we have a formula for how much we give the royal family. However, there is no direct transfer of money from the Crown Estate to the royal family.

Paul Flynn *rose—*

Mr Osborne: If the hon. Gentleman will allow me, I will make some progress.

I hope that I have answered the shadow Chancellor's first question about the level of funds. In the end, it is a matter of judgment whether £34 million or so is the right amount for the future. The newspapers' reaction to my statement a couple of weeks ago was not much of a guide. *The Independent* headline read, "Queen guaranteed £35m 'recession-proof' income", while *The Daily Telegraph* wrote, "Monarchy 'shorn of its dignity' to save money". I think we probably got it about right somewhere in between the two.

That leads to the second and probably most important question that the shadow Chancellor asked: how can we ensure that the sovereign grant is neither too high nor too low, and what can we do about it if it is judged to be either? Basically, the Bill introduces a number of important safeguards. First, it provides for a reserve fund so that any unspent surplus from the sovereign grant that year will go into a reserve fund. Under the civil list, there has always been a reserve fund. Indeed, it reached £37 million early last decade. We propose that the reserve fund should be capped so that it does not go above about 50% of the annual grant. In other words, assuming that the grant is likely to be £34 million, the reserve fund would not be allowed to rise above £17 million. However, it is right that the royal household has a reserve to call upon for major capital works that it needs to undertake, although, as I said, we are introducing for the first time a cap on that reserve.

The Bill retains as the three royal trustees the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse. It is our responsibility to act in any given year to ensure that the reserve remains within that 50% cap. If it is going to be higher, we can act to reduce the cash going to the royal household through the grant to below 15% of Crown Estate profits. That is one check.

Mr Kevan Jones *rose—*

Mr Osborne: May I set out the checks and then invite questions—I mean interventions? I am not going to make the mistake of some right hon. Members in thinking that interventions are questions.

The second check concerns the in-year controls that the Treasury operates for all public expenditure. The permanent secretary to the Treasury remains the accounting officer for the disbursal of Treasury funds, and the Keeper of the Privy Purse will be the accounting officer for the royal spending we are talking about and can be summoned and asked to give account for that. The hon. Member for Bristol West (Stephen Williams) asked whether Buckingham palace will be able to open for

[Mr George Osborne]

longer this year than it did last year. I can confirm that that will be the case, as the palace is looking for additional sources of income.

The key check, however, for ensuring that the level of funds is appropriate and that the 15% amount is being paid will be the review of the 15% mechanism. The legislation requires that a review is carried out seven years after the Bill comes into effect and every seven years thereafter. The shadow Chancellor and his team have suggested some amendments. I have discussed them with him and I am now proposing, through Government manuscript amendments today, basically to accept his amendments. That means that the first review will be carried out four years after the grant comes into effect—he suggested three years, but having discussed it, I have decided on four years—and therefore that the first review will be carried out in 2016. That will be one year after the general election, which is a good and sensible moment for us to review royal finances.

I am also accepting the right hon. Gentleman's amendment that proposes a five-yearly, instead of seven-yearly, review thereafter. In other words, in every Parliament, assuming that the fixed-term Parliament provisions are adhered to, the review will take place one year after the general election. There will be a review in every Parliament, assuming that they are five-year Parliaments.

Mr Kevan Jones: Will the Chancellor explain how the controls over the reserve will work? Who will take the decisions about how it is spent? It does not take a genius or a financial wizard to work out that, if we draw down the reserve, we can certainly keep up the annual income at 15%. Who will have a say over how the reserve is spent? Will the Government of the day have any control over how it is spent?

Mr Osborne: First, the reserve will be audited by the National Audit Office, as the Bill makes clear. Secondly, the trustees of the royal finances—the Keeper of the Privy Purse, who is the Queen's appointment, but also the Chancellor and the Prime Minister of the day—have oversight of the reserve. That is similar to the current arrangement. The Chancellor of the Exchequer—who undertakes this work more than the Prime Minister—and the Treasury will ensure that the reserve is used for proper purposes. As I have said, the reserve is also accountable to the National Audit Office and the Comptroller and Auditor General.

Paul Flynn: I have listened carefully to what the Chancellor has said, but I am still baffled as to why a simple mechanism that could be easily understood has not been used, perhaps similar to the one used to change pensions every year. Instead, we are to have a complex system under which, if the Crown Estate does well, royalty will win, and if it does badly, the taxpayer will lose.

Mr Osborne: As I have said, we could have chosen another mechanism, but I thought that it was not unreasonable to take a large, conservatively run property company to determine expenditure by the royal household, given that a lot of its expenditure is on property maintenance and the like. I completely accept that not every Member of the House will agree with that, but the effect, which is surely the important thing, is that the amount of money going from the public purse to the royal family will be broadly the same. They were receiving about £34 million on average from the civil list, the palaces grant and the travel grant, plus the money put into the reserves by the taxpayer, and they will go on receiving £34 million. We can have a debate about the mechanism, but the effect will be pretty much to continue through this Parliament with the sums that they were getting during the last one. We are of course talking in cash terms, which will mean about a 9% real cut, coming on top of a more than 15% real cut over the past 20 years.

I know that we are still debating clause 1, but I hope that the Committee will acknowledge that, in accepting the shadow Chancellor's amendments to clause 7, we have tried to show that we are open to argument and open to trying to work on a cross-party basis. We want to ensure that the Bill proceeds with the consent of those in all parts of the House of Commons.

I want briefly to deal with the shadow Chancellor's third and fourth questions. He asked about the issue of accountability, and he has tabled amendments proposing annual value-for-money studies. I would much rather leave the discretion with the Comptroller and Auditor General and the Public Accounts Committee. If they want to undertake such studies, they may do so, but I propose to leave that discretion with them. I remind the Committee that we are undertaking a pretty historic transfer of accountability to Parliament here. Parliament has fought for many decades to get scrutiny of the official expenditure of the royal family, and that is now happening through the Bill. Of course, the Public Accounts Committee will be able to ask the Keeper of the Privy Purse, as the accounting officer, to come before it to give evidence.

Let me deal with the fourth question, which was about royal protection. I am afraid that I will not be able to answer the shadow Chancellor's request here. I have looked into it and made quite a number of inquiries to probe whether it would be possible for me to give the Committee more information about how much is spent on royal security. I have to say that I have run into a metaphorical brick wall in Whitehall, probably for very good reason, which is that it would not be appropriate—this was a view taken by Home Secretaries over many years—to reveal how much was spent on royal security because that might present a security risk. Unfortunately, I am not able to accede to the shadow Chancellor's request. Let me reassure the Committee, however, that in the process, I have taken a look at the protection arrangements and costs, and I certainly satisfied myself that they are reasonable, proportionate, in line with the current threat assessment and pretty cost-effective. I am fairly confident that the Queen and her family are adequately protected.

I hope that I have answered the various questions asked. My hon. Friend the Member for Gainsborough asked a question about Frogmore, particularly the mausoleum for Queen Victoria and Prince Albert. The royal household has confirmed that it expects to carry out conservation work on the mausoleum over the next five to eight years, so in a few years' time, my hon. Friend will be able to visit a much restored and improved mausoleum at Frogmore.

Stephen Williams (Bristol West) (LD): Given that the mausoleum is currently on the English Heritage buildings at risk register, will the Chancellor confirm whether what he announced means that it will shortly be removed from that register?

Mr Osborne: The honest answer is that I have absolutely no idea, but I will find out and let the hon. Gentleman know. I might even be able to find out during this debate.

Mr Kevan Jones *rose—*

Mr Osborne: I give way one final time, but then I shall conclude.

Mr Jones: Has not the Chancellor just confirmed that we are giving the royal household freedom to spend the sovereign's grant on additional properties? *[Interruption.]* It is an additional property if the facts are understood. At the moment, the properties covered by grant in aid are Buckingham palace, St James's palace, Clarence house and Marlborough House Mews, the residency opposite Kensington palace, the Royal Mews royal paddock and Windsor castle and the buildings in the Great park. Are we thus going to see an extension? Who in the royal household makes the decision on that, or does the Chancellor have any say over which other properties not currently covered by the grant in aid from the Department for Culture, Media and Sport can be added in, increasing costs?

Mr Osborne: We do not propose to add anything in. Frogmore is part of the Windsor castle estate, or part of the Windsor Great park, which I am sure the hon. Gentleman knew before he made his intervention.

Let me sum up this rather lengthy clause 1 stand part debate. We do not want a cut-price monarchy; nor do we want an excessively lavish monarchy. What the country wants is a monarchy properly funded to do the job we ask of it. It does that job well. Long may that continue. I commend the clause to the Committee.

Ed Balls (Morley and Outwood) (Lab/Co-op): I commend your patience and flexibility, Mr Hoyle, in allowing this clause stand part debate to include the status of mausoleums and the role of English Heritage, which somewhat stretches the clause. Having a Second Reading-type debate on clause stand part in this way is probably a revolutionary approach to parliamentary procedure. After the events of the last few days, that may not be surprising. However, I should reassure the hon. Member for North East Somerset (Jacob Rees-Mogg) that he need not feel destabilised by my use of the word "revolutionary" in this context.

A fortnight ago, during the debate on the financial motion relating to the Bill, the Opposition made it clear that

"the monarchy continues, and must continue, to play a vital role in the affairs of our nation in the new century, but that to play this role and to command public support, the royal household must... be financed in a proper, open and fair way".

We expressed our intention to support the Chancellor's proposals to reform the current 250-year-old arrangements and

"to strike a fair and workable balance between the legitimate needs of the household and the interests of the taxpayer."

However, we also made clear that it was

"the responsibility of Her Majesty's Opposition to scrutinise the actions of the Government to make sure that it is done in a fair and proper way".

Those are the guiding principles that lie behind today's debates on clause 1 and, more widely, our amendments.

In that debate a fortnight ago, I cautioned the Chancellor that

"At a time when many families and businesses are under real financial pressure"

there was more work to be done, and a need for more "detail and reassurance" on Second Reading—which we have not had—or in Committee

"to establish a consensus not only across the Dispatch Box but in the country as a whole in support of these reforms."—[*Official Report*, 30 June 2011; Vol. 530, c. 1150.]

I also asked the Chancellor to provide more clarity and detail on the level of the sovereign grant and the wider costs of the royal household, the arrangements for regular parliamentary scrutiny, and the mechanisms for uprating the grant.

I thank the Chancellor for the detailed way in which he has sought to answer those questions in the debate so far, and for the serious consideration that he has given to our amendments. I am also grateful to him for giving Members more information than they were given two weeks ago. However, it is difficult to hold a debate such as this when time is so constricted, and I share the concern expressed about that by Members on both sides of the House. As I said to the Chancellor earlier, I think that he could have provided even more information to help Members to understand the debate.

3.30 pm

Setting the sovereign grant at 15% of Crown revenues will mean, from next year until the end of the current Parliament, a 3.2% real-terms rise in the grant available to the royal household. That is significant, and is set against a real-terms fall over the Parliament as a whole.

Let me turn to the thinking behind our amendments, and respond to the points made by the Chancellor. It is right that Parliament and the National Audit Office should be properly able to scrutinise whether the Chancellor is setting the sovereign grant at the right level, given both the costs and the pressures on the royal household. On one hand, the Queen has managed to deliver a 50% reduction in the total expenditure of the royal household over the past two decades, but these proposals, and the cash floor, effectively mean that the process of making further efficiency savings has effectively come to an end.

Mr Kevan Jones: I hear what my right hon. Friend says, but unless we know the full amount of money that is being paid to the royal household by other Departments—for instance, the Ministry of Defence—how can we determine, first, that those efficiencies are real and this is not just about moving money across and, secondly, that 15% is the right level?

Ed Balls: I shall deal with that point in a minute.

Dr Andrew Murrison (South West Wiltshire) (Con): Does the right hon. Gentleman agree that if those costs are indeed taken into account the reduction between 1991-92 and the present day becomes even greater? The figures do not include, for instance, the royal yacht, which has been decommissioned and is no longer a burden on the Ministry of Defence.

Ed Balls: What concerns me is not the fall in expenditure over the past 10 or 20 years, which most people would consider sensible—notwithstanding the issues raised by my hon. Friend the Member for North Durham (Mr Jones)—but the fact that we are set to see real-terms rises in the years ahead. That is where we should focus our scrutiny.

On the other hand—on the side of the ledger that does not feature efficiency savings—we are seeing rising pressures on the royal family. As I said a couple of weeks ago, the combination of the success of the wonderful royal wedding and the visit of the Duke and Duchess of Cambridge to Canada and the USA, following Her Majesty's historic visit to Ireland, has resulted in a rise in both the popularity of the royal family and the demands on them around the world, and that trend is set to continue. It is important that we scrutinise whether the resources that are in place are sufficient and right.

I raised in the last debate the fact that it has been reported that a number of members of the royal family have had their security reduced or removed over the past year. I accept the Chancellor's assurances that there are no concerns in that regard, but it was right that we raised the issue. We have tabled amendments to clauses 2 and 4 that are designed to ensure both that there would be full and independent scrutiny of all the different aspects of royal expenditure, including the level of the grant and, more widely, value for money and the effective spending of resources across the piece, and that the National Audit Office would have sufficient powers and resources to do that job. My hon. Friend the Member for North Durham asked about wider expenditure outside the sovereign grant. As I understand it, it should now properly come within the purview of the NAO to look across the piece. In our upcoming debate on those clauses, perhaps we could receive an assurance that the NAO will be able to look at all the budgets, not just this particular one. Clearly, the NAO will not be able to reach a judgment on value for money in terms of royal household expenditure under this grant unless it can do so in the context of the other expenditures by Government Departments for the royal household. It is important to maintain royal protection and security, but protecting value for money is also important. The NAO and the Public Accounts Committee will need to respond to the issue my hon. Friend has raised and make sure they can see the full picture. I say again that we seek assurances in the upcoming debate on those clauses that the NAO will be able to look right across the royal household's expenditures, rather than only at the expenditure financed by the sovereign grant.

The Chancellor has moved very much in our direction on our second issue. I argued a couple of weeks ago that, given the historic importance of these reforms and the inevitable uncertainties at the beginning of a new financing regime, Parliament would need to keep a closer eye on the arrangements. I also said that that needed to be consistent with the Chancellor's proper desire to give the royal household stability and certainty. In our judgment, waiting seven years for a review, and certainly seven years for the first review, was too long. In our amendments to clause 7, we propose that the first review should happen in the period up to April 2015—three years from now—with five-yearly reviews after that. The Chancellor has gone pretty much to where we would like to be on these matters. Therefore, we thank him for taking our concerns seriously and making sure Parliament will be able to take an early view on these arrangements.

On our third issue, however, I have a continuing concern, which has prompted our amendment 8 to clause 7. The issue is the level of profits from the Crown Estate. The Chancellor has told the House that

> "we need a funding mechanism that prevents the sovereign coming to Parliament each year for resources, and that provides funding broadly in line with the growth of the economy...There will be a cash floor to protect the monarch from cash cuts, but basically the monarch will do as well as the economy is doing."—[*Official Report*, 30 June 2011; Vol. 530, c. 1146.]

We do not know that the figure of 15% of Crown revenues will prove to rise in line with the overall performance of the economy. That obviously depends on the performance of the Crown Estate and Crown revenues. As I pointed out, the Crown Estate income from renewables grew by 44% in the year 2009-10, and it is widely expected to increase again in future years because of the financial potential of the exploitation of wind and tidal energy on the foreshore around the country.

The Crown Estate's annual report describes current growth as "exponential" and growth over the next 10 years as "significant". Given the potentially significant changes in income from renewables and, perhaps, wider sources, as well as the prospect that this could lead to an unintended rise in either reserves or, as described in the Bill, simply the overall level of expenditure, it is important that the proposals are robust in meeting significant unintended rises in revenues.

Some have called for a cap on the overall level of the sovereign grant. Instead, we have tabled amendment 8, which would require the trustees to review the arrangements if the Crown Estate's income were to rise faster in the previous financial year than the underlying trend growth rate of the economy. I think that the public would expect the trustees to review matters immediately if revenues were to rise much faster than had been expected. I also think that the amendment is fully consistent not only with the spirit of the Chancellor's reforms, but with their detailed intention, as he set out in his spending review speech. Therefore, I ask him to look at the issue again over the next hour and a half. Our proposal is fully consistent with protecting stability for the monarchy and the proper role of Parliament in scrutinising the arrangements. In order to ensure that his reforms are implemented as he intended, we should agree to the amendment.

Paul Flynn: As I understand it, the royal trustees are the Prime Minister, the Chancellor and the Keeper of the Privy Purse. Does my right hon. Friend not think that we would get a more balanced decision if Members of this House were represented among the trustees? They would give a much better opinion than the establishment one on this issue.

Ed Balls: It is obviously nostalgic for me to be back in Committee debating with the Chancellor of the Exchequer across the Dispatch Box, although I would remind my hon. Friend—these moments have been rare in my parliamentary career—that the Chancellor and the Prime Minister are both Members of this House. Therefore, they are representatives of both the Government and

the House of Commons in those discussions. The important thing is that the trustees should not be able to sit on their hands if there is an unexpected surge in revenues that is faster than the trend growth rate of the economy. When the trustees produce a report, Parliament should be able to scrutinise it properly, after a report of the NAO. The latter is clearly set out in the Bill, but at the moment, whether there is a review in the five-year period is at the discretion of the trustees. Parliament should legislate today to say, "If you see something happening to revenues that is outside the Chancellor's intentions as clearly set out by him, then there should be an immediate review." It would still be for the trustees to decide what recommendation to make. We are not imposing a cap, because although some would like that, it would be outside the Chancellor's intentions. I said from the beginning that I would support his reforms, and our amendment 8 delivers his reforms in detail. Therefore, I hope that he will reconsider and support our amendment.

Mr Kevan Jones: I think the Chancellor has tried to have an effect on that by, for example, putting a cap on the reserve, but does my right hon. Friend agree that it is also important to see how the reserve is spent? I said to the Chancellor that it does not take a genius or a financial wizard to work out that the way to do it is by keeping the reserve as low as possible by spending the money, so the Government's proposals will actually lead to more inefficiency, rather than driving up efficiency.

Ed Balls: As I said, part of the motivation behind our amendments to the clauses that deal with the role of the NAO is precisely to ensure that the value-for-money question is at the centre of the NAO's thinking and the PAC's reports to this House. I am happy with the Chancellor's view that it should be for the PAC and the NAO to decide when to do those reports, but they clearly cannot have a report looking at value for money without looking at all aspects, and that includes all expenditure that is financed by the taxpayer, and the use of reserves. For Parliament, that is the right mechanism. I understand that not everyone in the House will agree with those proposals, which is why it is important to get on to that debate.

3.45 pm

Sadly, my hon. Friend the Member for Bolsover (Mr Skinner) is not here, but in the last debate I referred to the fact that he voted against these reforms when they were last debated in substance in this House in 1971 and mentioned his barracking of Norman St John-Stevas from a sedentary position. I have since checked my hon. Friend's subsequent contributions. In recent years, he has questioned Chancellors and Prime Ministers regularly in this House, doing so most recently in the July 2000 debate on the renewal of the civil list. His best contribution came when he described the £7.9 million civil list settlement to Her Majesty as

> "a pretty big winter heating allowance...If the Prime Minister really wants to save money, the answer is to kill two birds with one stone by shipping them off to the millennium dome, where they can have a zone apiece."—[*Official Report*, 4 July 2000; Vol. 353, c. 164-5.]

That option is not now available to the Chancellor of the Exchequer and it is not one that would find any support from Members on the Labour Benches. Strong views have always been expressed here, and in the 1971 debates considerably stronger views were put by Members on the Opposition Front Bench than anything that has been said in this debate, where we have sought to help the Chancellor to deliver the intention of his reforms. That is the motivation behind our amendments.

It is important to say that we are debating a significant reform; it is the biggest reform of the royal finances since the accession of King George III in 1760. I read through the *Hansard* record of the contributions made in recent decades by my hon. Friend, so I thought that I should read the pre-*Hansard* record of the debate and resolution in this House on 25 November 1760, when the then Government set out clearly their view that the use of the revenues of the Crown Estate was for Parliament to determine. *[Interruption.]* I do not know whether the hon. Member for North East Somerset recalls that particular debate.

In the recent House of Commons Library note on these matters provided to Members, the clear view of the experts in this House was:

> "The Crown Estate is not the personal property of the Monarch. It cannot be sold by the Monarch, nor do any profits from it go to the sovereign."

I think that that is the position as things stand. It was also the argument made on 25 November 1760 by the then Chancellor of the Exchequer, Henry Bilson Legge—probably a relative of the hon. Gentleman—who said that it was for Parliament to determine the use of these revenues and that they should do so in a manner

> "as may best conduce to the utility and satisfaction of the public."

In return, at the end of that debate the House resolved that

> "there be granted to his Majesty, during his life, such a revenue"

as would

> "support of his Majesty's household, and of the honour and dignity of the crown".

That was how the House of Commons resolved that issue on that day.

For 250 years, the Crown Estate has been at the disposal of this Parliament but, as then so today, it is the responsibility of Parliament to ensure that a fair and proper balance is struck between the interests of the taxpaying public and the needs and dignity of the royal household. As we enter the second decade of the 21st century, that is our task, not just today, but in the months and years to come.

Mr Edward Leigh (Gainsborough) (Con): I am humbled, Mr Evans, that you should have called me before my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg). I am grateful that there is somebody who is even more royalist and reactionary than me in the Chamber; my hon. Friend reminds me of one of the French courtiers who was plus royaliste que le roi—more royalist than the king—and that is no bad thing.

Of course I agree with the substance of what my right hon. Friend the Chancellor is trying to do today, but I hope that he will accept a couple of bits of advice or warnings. The constitutional position of the monarch and Back Benchers is rather similar: we warn and we advise. The difference is that the Queen does so in private and is listened to and we do so in public and are never listened to, but we will try our best. *[Interruption.]*

[Mr Edward Leigh]

Well, perhaps we are listened to sometimes. I am a bit worried about some parts of the Bill, particularly about how fixed in concrete the sum of money is.

We all know that there is no point having the British monarchy as a cycling monarchy or having it on the cheap. I know from my experience of looking at the accounts during the last two Parliaments that they are right on the edge of the £34 million. If one was trying to maintain extremely expensive buildings—I am not just talking about Frogmore now, but about large and complex buildings such as Buckingham palace or places such as Windsor great park—one would struggle. Some people, particularly in this House and particularly those with a slightly republican bent, might say that we are all making sacrifices, but this is part of our national heritage and it is not as if they are living in anything like the whole palace. They have a modest flat: as we know from one of the tabloid stings, the Queen lives very modestly with her Tupperware in a small flat in Buckingham palace. Ultimately, we, the public, are benefiting from Buckingham palace, Windsor and St James's palace and they must be properly maintained. I am not sure whether we might need looser arrangements so that—I will not use the phrase "raid the reserves"—there is some sort of mechanism to handle that. Will the Chancellor comment on that when he sums up? It is terribly important that there should not be a constant constraint on the treasurer of the royal household to skimp on maintaining the royal palaces, because that is clearly happening at the moment.

Paul Flynn: One example of many of royal spending was a trip by Prince Charles and Camilla from Buckingham palace to Balmoral for which the taxpayer—*[Interruption.]*

Jacob Rees-Mogg: On a point of order, Mr Evans. I wonder whether you would rule on the correct way of referring to Their Royal Highnesses the Prince of Wales and the Duchess of Cornwall.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): I think that respect for members of the royal family is warranted and it would therefore be appropriate to show proper respect in referring to them in the House.

Paul Flynn: I shall ask the question again. Is it an example of people with financial limits skimping when the heir to the throne and his wife take a journey that costs £29,000 without any public engagements being involved—the journey was a private one—and send that bill to the taxpayers?

Mr Leigh: I am delighted that the hon. Gentleman has made that point. He is making the precise point I want to make, although we come from different directions, of course. That is the danger. As so often happens in the House of Commons, we are rushing at things and there are many unforeseen consequences; it would have been preferable to consider the Bill more closely and for longer. The point that the hon. Gentleman has made will be made in the Public Accounts Committee and such subjects will be dragged into the public debate.

Why do I think that is dangerous? Let me make it clear that I am not against the move in any way. I welcome it and I am grateful that the Chancellor had a private word to brief me on this before he made his announcement. I am grateful for what he is doing, which is in response to the constant campaign that we members of the PAC have waged for many years to have greater transparency. No present or previous member of the PAC and nobody in Parliament doubts that we want more transparency about the public duties, the official travel, the official expenses and so on. That is modern, transparent and right.

The difficulty is where we draw the line. I am worried that the PAC and the Comptroller and Auditor General will gradually be dragged into the debate on precisely the sort of point that the hon. Member for Newport West (Paul Flynn) has made. How will the system work? The CAG will effectively be able to look at everything, but a defence is built into clause 13. The clause states:

"Any reference to the support of Her Majesty's official duties includes the maintenance of Royal Palaces and related land."

That is fair enough. Subsection (9) states:

"Any reference to the Royal Household if limited to that Household so far as it is concerned with the support of Her Majesty's official duties."

The clause also states:

"Any reference to the use of resources is to their expenditure, consumption or reduction in value."

I suspect that subsection (9) was included to try to prevent the whole debate from widening to cover the private travel, private expenses and private servants of the royal family. Why is there a danger?

Paul Flynn: Will the hon. Gentleman give way?

Mr Leigh: May I make some progress first? I want to develop this point and if the hon. Gentleman is not satisfied he can come back to me.

If the PAC was a normal Select Committee that set its own agenda, we would have some people who were very pro-royal family and some who were not so pro, and there would be tremendous pressure on the Chairman in private sessions, with people saying, "We want to look at this aspect of travel," "Why did the Prince of Wales make this official trip and spend all this money," or "Why did they bring all their servants?" There would be a great argy-bargy. At the moment, our defence is that, uniquely, the PAC's agenda is set not by the Committee or politicians but by the Comptroller and Auditor General. That acts as a kind of backstop to protect the royal family, but the changes could bring a real danger for them. Why? It is because we do not live in an entirely fair world.

The royal family is not like the Department for Work and Pensions—I shall not labour this point because I made it in the last debate on this. When the PAC looks at the DWP or another Department, it does its work and investigates the spending of billions of pounds, which is sometimes spent wisely and often not so wisely. With those reports there is limited public interest and the report tends to get into *The Times*, the *Financial Times* or the serious pages of *The Guardian*. With the royal family, things are completely different: not only is there massive public interest and huge pressure from journalists, but some newspapers have an agenda of constantly attacking the royal family and its members.

Paul Flynn: Will the hon. Gentleman give way?

Mr Leigh: I am going to develop my point; the hon. Gentleman can come in later.

We have seen that agenda in the *Daily Mail* campaign against the Prince of Wales and in the Murdoch press—against many members of the royal family. We are getting into dangerous territory.

Mr Mark Spencer (Sherwood) (Con): Will my hon. Friend give way?

Mr Leigh: Let me go on a bit and then I shall give way to both hon. Members, as I want to be fair to both sides.

When I was the Chairman of the Committee I put no pressure on the Comptroller and Auditor General, but members of the Committee, including the hon. Member for Glasgow South West (Mr Davidson), who is present, Mr Alan Williams and others quite rightly had serious questions about the royal family. They took a particular view and were always agitating for us to do more work, but I was able to say that it was not my decision. It was the decision of the Comptroller and Auditor General who, frankly, took quite a conservative approach and did not allow many reports to come to the Committee or do much initial work. Although there is massive public and media interest in this issue, particularly in the tabloid press, there is much more important work that we need to be doing on public expenditure.

Hon. Members might ask what I am worried about, given that we can surely rely on the Comptroller and Auditor General—although I think that he will be under a lot of pressure via members of the PAC because they are eternally under pressure from the media to raise these sorts of questions. Why am I worried about all this? It is because I wonder whether clause 13 is an adequate defence. How do we define exactly what are the private affairs of the Queen? We know what she does in the homes that she owns—in Sandringham or Balmoral. We know about the gardener and the cook she employs and about private travel around the estate. That is completely out of all this, but what about what goes on in Buckingham palace and Windsor great park? Is the Comptroller and Auditor General going to be under pressure to investigate value for money, the number of servants and what happens with the private office? When does official travel start and when does private travel start? There have been attacks on Prince Andrew for taking official trips and then going on elsewhere to play golf. There will be more and more pressure mounting all the time and that could be extraordinarily damaging to the royal family, which is a very fragile institution. In no other major country is there a royal family; it survives on public opinion and I am afraid that there are some people, particularly in the tabloid press, who simply are not fair and who want to go on pushing and pushing because they want as damaging a story as possible. I shall now give way to the hon. Member for Newport West because he asks about precisely the sort of story that they will try to raise through the National Audit Office and the PAC.

Paul Flynn: I am grateful to the hon. Gentleman for giving way, although I am sorry that he has not answered my question about why a multi-millionaire should send a bill to the taxpayer for a private visit. May I take him back to his previous speech to the House on this issue in which he spoke as the former Chairman of the Public Accounts Committee—the guardian of the taxpayer's interest—when he said that he had approved royal spending that he described as "fantastically wasteful"? Is that the way to guard the taxpayer's interest?

Mr Leigh: The fact is that we must take everything in the round. I was making comparisons with the Heads of State of Germany and Italy, which are republican institutions that cost more and have virtually no public impact whatsoever and do nothing for the economy. I am afraid that it makes absolutely no sense in providing value for money to Great Britain plc to get rid of the monarchy. I do not accept that the institution of the monarchy is fantastically wasteful.

4 pm

Mr Spencer: Does my hon. Friend agree that, as we are talking not only about the Head of State but about the next in line to the crown of this great nation of ours, they should be allowed to travel in such a manner? Can he imagine a circumstance where the President of the United States arrived in the UK on easyJet? We should be proud that the head of this nation is allowed to travel in such style.

Mr Leigh: We live in such a public world now that the Prime Minister took Ryanair when he went on holiday.

Mr Davidson: I am grateful to the former Chairman of the Public Accounts Committee for giving way, and I have to tell my colleagues that he is not nearly as bad a man as he often appears. Does he accept that there is a difference between what the royal family undertake as their public duties, which should, quite rightly, be examined by the Independent Parliamentary Standards Authority or a similar organisation, and what they undertake in their private lives, which should not be accessible to the public? Does he accept that extravagances in their private lives should not be charged to the public purse? That really is the difference. Like the hon. Gentleman, I recognise that we do not wish to intrude into every element of that family's life; but if they do not want us to intrude, they should not charge such things to the public.

Mr Leigh: I am not sure whether the Queen or the Prince of Wales charges "extravagant" aspects of their private lives to the public purse, but what worries me is that if Prince Charles went on an official trip to America and took so many hairdressers, butlers, private secretaries and all the rest, the media and the hon. Gentleman, if he was still a member of the PAC, would immediately demand a public inquiry, and there would be a gradual drip, drip of attacks in the tabloid press against the royal family. We should be aware of that and warn about it. That is why the role of the Comptroller and Auditor General is absolutely crucial; he is not a politician. The reason I am making these remarks—if he reads *Hansard*—is that he must stand firm and make an overall judgment.

Mr Davidson: I can assure the House that, when I have travelled abroad, I have certainly never taken a hairdresser with me.

[Mr Davidson]

The sort of rules that apply to the Prime Minister ought to apply to the royal family in this context. The Prime Minister and senior members of the Government must have a certain degree of support and status when they travel abroad on parliamentary and official business. The royals similarly ought to have some status when they travel abroad. However, the two ought to be comparable. To be fair, the Prime Minister has never taken hairdressers, butlers, valets, chauffeurs or anything similar with him.

Mr Leigh: This debate is useful in a way, because it shows precisely the problem. I understand that the Duke and Duchess of Cambridge have taken extremely modest entourages and staff on previous trips. Apparently, the Duchess has had more than 37 different changes of outfit in America and Canada. I do not suppose that the Prime Minister or even the hon. Gentleman changes his outfit 37 times when he goes on Select Committee trips abroad. There is a completely different order of scale between a Head of State, who is part of the ornamental part of the constitution and who represents our country, and even the Prime Minister. If we are now to have questions and relentless pressure in the PAC about how many dresses need to be taken on every royal trip, it will be ridiculous, and it would start to make the royal family look more and more ridiculous. That is what I am warning against.

Mr Kevan Jones: Does the hon. Gentleman think that this country's defence budget should subsidise the royal flight? If we believe what was reported in *The Mail on Sunday* last week, the Ministry of Defence did the right thing by charging the going rate for use of the royal flight. Only because of complaints to the Chancellor of the Exchequer by the Prince of Wales was that amount reduced. Therefore, every flight that the royal family takes is being subsidised by the defence budget. That cannot be right.

Mr Leigh: I do not know the exact truth about that particular aspect.

Mr George Osborne: The part about my involvement is completely untrue.

Mr Leigh: All that I know—the Public Accounts Committee having had all those accounts over the past two decades—is that steps are constantly being taken to deliver a better-value-for-money monarchy. If that is not true, why has the cost gone down from £49 million to £34 million? I shall sit down now, because we are only on clause 1 stand part.

Paul Flynn *rose—*

Mr Leigh: I will not give way; I have already given way to the hon. Gentleman once. I want to emphasise this point to the Chancellor: I hope that there is a flexible arrangement, so that we can protect the structure of the royal palaces. I sincerely hope that the Comptroller and Auditor General will take a very conservative view of his responsibilities when he draws up reports, and that he will focus them absolutely and firmly on the public duties of the royal family, in the spirit of the Bill.

Stephen Phillips (Sleaford and North Hykeham) (Con) *rose—*

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Is the hon. Member for Gainsborough (Mr Leigh) giving way, or has he sat down?

Mr Leigh: My hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) is desperate to get in, so I give way to him.

Stephen Phillips: I am not sure that I have ever been desperate to get into anything. I think it was in 2005, when my hon. Friend was the Chairman of the Public Accounts Committee, that the Committee published a report, which he will probably remember, that drew attention to a potential conflict of interest between the Duke of Cornwall and future Dukes of Cornwall. That is not addressed at all in the Bill. Does he share my hope that my right hon. Friend the Chancellor of the Exchequer will deal with that point in his wind-up, and that the Government will look at the issue in future?

Mr Leigh: That is a serious and important point. We have had mention of the Duchy of Cornwall; I should say that we did some trailblazing work in our hearing about the duchy. The hon. Member for Glasgow South West will remember that we ranged widely over all aspects of its management. One of the issues that we raised was whether we should maximise resources—income and capital—for the present Duke of Cornwall, or for future generations. I hope that the Chancellor can also reply to that point when he winds up.

Several hon. Members *rose—*

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): As Members can see, there are at least six people trying to get in on the debate on this clause; we are incredibly time-limited, and I ask people to respect that.

Mr Kevan Jones: The aim of the Bill is right: to provide the sovereign with the funds that she and other members of the royal family require to do their public duties. I do not think that there is any disagreement on that at all.

On the point about how we arrived at 15%, I welcome the Chancellor's acceptance of some of the amendments in the name of my right hon. Friend the Member for Morley and Outwood (Ed Balls), but there are a few questions still to be answered. I understand why the amount is set at 15%—to get to the figure of £34 million in future years—but my concern is that if we are to have a proper look at what the sovereign costs, we should include all costs, and then determine that the Government or state should provide the money to the sovereign for carrying out those duties.

I accept that there is greater transparency under the Bill, which is welcome, but the hon. Member for Gainsborough (Mr Leigh) seems to think that we will somehow be intruding into areas into which we should not go. I am sorry, but if we are talking about public money, its spending has to be scrutinised, as does the

spending of public money by any Government Department. My concern is that we arrived at the £34 million figure, based on 15%, without taking into account the moneys that go from Government Departments to the royal household to support the royal family in their duties. I shall talk about defence, an area that I know more about, as a former Defence Minister.

A large number of individuals in the armed forces—I have asked how many—have a role supporting the royal household. Some people might question whether that is necessary, but I think that it is, because they play an important role in supporting the monarch and other members of the royal family. However, I do not think that the costs involved should come out of the defence budget, as they currently do. The costs should be taken from the moneys we pay to support the sovereign's work, because those men and women of the armed forces clearly do an important job in supporting the sovereign in her duties as Head of State, but we do not know what those costs amount to.

Similarly, is it legitimate for Her Majesty the Queen and other members of the royal family to use private aircraft for state duties? I fully support that, not just from a security point of view, but because of the status that we wish to give members of the royal family when they represent this country on royal duties, as my hon. Friend the Member for Glasgow South West (Mr Davidson) suggested. However, I do not think that the defence budget should be used to subsidise that expenditure. For example, if it costs a set amount for the RAF to fly Her Majesty or any other member of the royal family somewhere, that amount should rightly be met by the taxpayer if it is an official duty.

Mr Spencer: Does the hon. Gentleman recognise that defending our nation includes defending our Head of State?

Mr Jones: Yes, but what I am talking about does not relate to security. I am talking about equerries and other people who play a vital role in running the royal household and who are important in Her Majesty's representational role. In the previous debate people tried to conflate the two issues, but I am talking about ceremonial duties that are being paid for from the defence budget.

Dr Murrison: Until recently the hon. Gentleman was a Defence Minister, and a very good one, so I wonder, since he feels so passionately about this, what efforts he made to identify those costs.

Mr Jones: I also chaired the value for money group in the Ministry of Defence, and those costs were on the radar screen for the work it was carrying out. There is a sense of grievance in the MOD and the armed forces that this money comes out of the defence budget. There should be some recognition of this vital work, but it should not come out of the defence budget. That would also avoid the nonsense that we saw last week in *The Mail on Sunday*, which claimed that the Prince of Wales and other members of the royal family stopped using the royal flight because the cost was being charged to the royal household. I understand that after representations were made to the Treasury the cost was reduced by £6,000 an hour for the use of one of the royal flights. Therefore, a basic subsidy is going to the royal household from the defence budget, which I do not think is right. If the full cost of the royal flight is £13,000 an hour, the Government should pay for that to support members of the royal family who need to travel on official duties. I have no problem with that, but I have a problem with where it comes from and how it is accounted for.

Michael Ellis (Northampton North) (Con): Does the hon. Gentleman not accept that these military equerries and the like are on secondment from military duties? They remain military officers in the service of the Crown via the Ministry of Defence, so it is quite appropriate that they should be paid by the Ministry of Defence?

Mr Jones: No, I am not suggesting that somehow they should be taken out of the military while they do these duties, because there is an important link between the royal household and the military, but I do not think that they should be paid for from the defence budget while they are on these duties. In trying to get full transparency in what the royal household costs and therefore what the sovereign grant should be, we need to know about all these other costs so that we assess what is needed to support the sovereign in her work as Head of State. There needs to be transparency.

The Chancellor said earlier that the NAO could look at this, but there is nothing in the Bill that says it will look at costs in kind in relation to the Ministry of Defence and other budgets. If we are to ensure that the royal household has the money needed for the royal family to do their official duties, it is important that there is transparency and that the costs do not fall on the Ministry of Defence, for example.

Some people argue that there should be a cap every year on the sovereign grant. That is possibly a bit too blunt a mechanism. I accept what the Chancellor has said about the size of the reserve. However, if we are to ensure that the efficiencies that have taken place so far in the royal household continue, we need to consider not only how the sovereign grant, but the reserve, is spent each year. It would be quite easy to run the reserve down each year to ensure that more money is needed every year. There needs to be some scrutiny of exactly how the reserve is spent.

4.15 pm

The next issue is what the sovereign grant is spent on. At the moment, some of the arrangements are totally inefficient in that the Government are paying the royal household and then being paid back for services. There is a debate to be had about whether the royal palaces are royal households or part of the history of this country that should be paid for by the taxpayer. The places currently covered by grant in aid are Buckingham palace, St James's palace, Clarence house, the Royal Mews, the residence and offices in the area of Kensington palace, the royal paddock at Hampton Court, and Windsor castle and the buildings in Home park and Great park. The list is quite well defined. It would be interesting to know whether the sovereign grant will be limited to being spent on those places or there will be flexibility to use the money for other households. In 1990, Marlborough house was added to the list of properties that the Department for Culture, Media and Sport supports through grant in aid. To ensure that we are not cross-subsidising things that are already covered, it will be

important for the Chancellor or the trustees to clarify exactly what the sovereign grant could be spent on; otherwise, other properties that are not currently covered by the civil list or grant in aid payments could be included. That is an important point.

I take the point made by the hon. Member for Gainsborough (Mr Leigh) about the titillation factor in looking at what the royal household spends money on. However, the core point is that this is Government—public—money. If we do not want the royal family to be denigrated but rather to gain support for them, one way would be to ensure that the sovereign grant is well spent and that people see that that is the case. We accept that some items are very expensive to undertake, such as the upkeep of royal palaces and—I have to agree with the hon. Member for Gainsborough—the way in which people have to travel for security reasons, but there must be an emphasis on ensuring that the taxpayer gets value for money. That is a way of strengthening support for the sovereign and the work that she and her family do on behalf of the nation. If we going to get this right, and the Bill is a good attempt at trying to do so, we must ensure that we not only get value for money but are very clear and honest to everybody about all moneys that are spent on supporting the sovereign in the work that she does.

Michael Ellis: Will the hon. Gentleman give way?

Mr Jones: I was about to conclude, but go on.

Michael Ellis: The hon. Gentleman refers to concern about value for money. Does he accept that the royal family bring in hundreds of millions of pounds to the state every year as juxtaposed with the few millions that it costs to run the royal family, most of which is spent on public buildings?

Mr Jones: That is another debate and it is difficult to quantify what the hon. Gentleman says is brought in. I do not just look at this in terms of money, but take the more fundamental view that we have a Head of State and should support her in the work that she does on behalf of this nation. What I am saying is that we need to be clear about what that costs. We should be honest about how much it costs, even if it costs more than £34 million, and not hide the way in which moneys are spent.

I broadly welcome the thrust of the Bill, but I hope that the NAO report looks not just at how royal expenditure is spent on the sovereign grant, but at other moneys that are paid to the royal household. It might suggest, for example, that the money that comes from the Ministry of Defence should not come out of defence expenditure.

Jacob Rees-Mogg: The shadow Chancellor concluded his remarks by saying that he had looked up the Commons *Journal* for 1760. He is, of course, a very modern man. I went a little earlier and looked up the Commons *Journal* for 1575. I thank the Library for its assistance in helping me to find what I was looking for. I was looking for the behaviour of the House towards a Mr Peter Wentworth, a man who represented a Cornish seat and had the temerity to criticise the then sovereign, Elizabeth I. He said that

"none is without fault, no, not our noble Queen".

For this "prepared speech" and

"divers offensive matters touching Her Majesty"

he was taken prisoner to the Tower and held there for a month at the insistence of the House of Commons. I must say that I think they knew how to behave in 1575, and it is a model for us today.

I want to come on to who really owns the Crown Estate, because that is important in this discussion. That is why I intervened on the Chancellor, and I am grateful to him for taking my intervention. It is important to remember that the Crown Estate is the property of the sovereign in an ultimate sense, though gifted for a reign. The importance of that is that the sovereign therefore has a right to ask for money. One might think that they would get the money anyway, but sovereigns have been promised money by Parliament that has been stopped. One just needs to go back to Charles II, who handed over all his feudal dues to the Government for £100,000 a year in perpetuity for all his heirs and successors. I am not sure that that £100,000 has been paid once in the last three hundred and some odd years. The Crown, by virtue of owning the Crown Estate, can guarantee that it is entitled to a revenue. The fact that at the beginning of each reign it could theoretically demand the Crown Estate back is important reassurance and a reassertion of that right.

Mr William Cash (Stone) (Con): Is my hon. Friend conscious of the fact that at the time of the secret treaty of Dover in 1670, the Crown would not recall Parliament because Louis XIV insisted that we should do what the French and the rest of the Europeans wanted, in return for which he would give enough money to Charles II to keep him in with his mistresses and the royal household in the manner to which he felt he should be accustomed?

Jacob Rees-Mogg: I remember the secret treaty of Dover well, although I was not an active participant. However, it is not particularly relevant to this debate. It has to be borne in mind that Louis XIV did not deliver the cash, which is always a slight problem in such negotiations.

The Crown Estate belongs to the sovereign. Any other great landowner who has inherited land owns that property outright and is free to pass it from generation to generation. The Crown Estate is in that position. We have discussed before whether, because it is exempt from death duties or because it used to be used to pay for Government expenditure, it is in some sense different and the nation's. I would argue that that reasoning is not accurate. In the same way that the feudal duties that fell upon other landowners were abolished as time went on, so the Crown Estate would in all normal circumstances have become the Queen's outright.

I therefore go back to my point, which the hon. Member for Newport West (Paul Flynn) dislikes, that the Queen pays an 85% tax rate. There would be £200 million or more in income for the Queen every year, but in fact there will be only about £30 million. So Her Majesty is the highest-paying taxpayer in this country. Members of Parliament might like to think that we could do a deal with the Government, hand over our salary and be given £9,000 a year back.

Mr Davidson: Does the hon. Gentleman recognise that there is a distinction between the monarch as an individual and the monarchy as an institution? The

Crown Estate is the property of the state, inasmuch as it is the property of the monarchy as an institution, not the monarch as an individual. It is therefore untrue to say that the monarch as an individual is paying 85% tax.

Jacob Rees-Mogg: I am very grateful to the hon. Gentleman, but I think it is immeasurably confusing when we start trying to divide the Queen up in that way. Her Majesty is our sovereign, full stop. She is one person, indivisible. She is not the trinity—Her Majesty the Queen, Her Majesty Mrs Windsor and Her Majesty the third party of the trinity. It does not work like that. She is one sovereign individual.

The next point that I want to make is one on which I agree, as I often do, actually, with the right hon. Member for North Durham. [HON. MEMBERS: "Honourable."] I am so sorry, the hon. Member for North Durham (Mr Jones). It is in Her Majesty's gift, of course, to promote him, and perhaps she might have looked more favourably on that if he had been a bit more loyal in his comments. However, I agree with his point that we have to pay for the constitution that we have. The Queen is not here to bring in tourism and things like that. She is here as an essential part of our constitution. That is why it is worth the military taking on the costs of sending attachés and so on and so forth. The military owe their loyalty to the Crown, not to politicians, senior generals or people who could abuse that power to change how this country is run.

Our constitutional settlement, which works extraordinarily well and has worked well for hundreds of years, is worth paying for. On that basis, we get stability as a nation and the effective operation of our constitutional system. The judges owe loyalty to the Crown; the military owe loyalty to the Crown; we, as Members of Parliament, swear an oath to the Crown. It is the Crown that is at the pinnacle of our constitution, outside and above politics and a defender of our liberties. Indeed, as Charles I said at the scaffold, he died the martyr of the people, because he had been defending the liberties of the people, as the Queen has done now for jolly nearly 60 years. We must be willing to pay the right price for our constitutional settlement, and I think that should be a generous price.

Michael Ellis: Does my hon. Friend agree that the fact that each sovereign since 1760 has been asked by successive Governments to sign over the proceeds of the Crown Estate, in and of itself, proves that the estate belongs not to the country but to the person of the sovereign?

Jacob Rees-Mogg: My hon. Friend is of course right.

It is often said that Her Majesty is the golden thread that binds our nation together, and the key part of that phrase is the word "golden". Her Majesty is not the cotton thread, or the silver thread, or the woollen thread, she is a golden thread that binds the nation together as one unique, great and noble nation.

Paul Flynn *rose—*

Jacob Rees-Mogg: It is always an honour to give way to the hon. Gentleman.

Paul Flynn: I am grateful to the hon. Gentleman for giving way before he goes into hyper-rant. Does he realise that the fantasy that he is describing has been changed by the fact that many hon. Members, who are forced to say an oath—they have no choice—put a preamble to that oath that alters its meaning? The process of a decision to go to war was changed when the House decided to vote on wars in 2003, and probably on all future wars.

Jacob Rees-Mogg: There is a completely separate question, outside the remit of this debate, on the prerogative powers. It has well been established that the prerogative can be bound by legislation, and legislation comes from this House. However, that has very little to do with the Crown Estate and the financing of our sovereign, which, as I said, is something that we should do properly.

We then have the question of scrutiny and the Public Accounts Committee. I make no bones about it, I think it is inelegant, ungallant and improper to look at every biscuit that Her Majesty wishes to buy. I think Her Majesty should have as many biscuits as she likes, and if they are chocolate Bath Olivers rather than Rich Tea, so be it. I just do not think it right for a Committee of this House to look into that.

4.30 pm

There is a risk—my hon. Friend the Member for Gainsborough (Mr Leigh) put this incredibly well, as he always does—of people using that for political advantage. That may have changed, because yesterday, sitting in this Chamber, we suddenly discovered that all politicians now loathe the press and think that they are not worth dealing with, so my previous concern that members of the Public Accounts Committee might use investigating the monarchy to get publicity is clearly no longer true, because they so dislike the press that even to appear on the front page of the newspapers would be such an embarrassment that they would eschew the opportunity. However, times may change again, and it is of serious concern to me that the Public Accounts Committee could spend time looking at the £35 million spent on the sovereign grant rather than at the £6 billion that was wasted by the Ministry of Defence. We really do not want to get into a situation in which the PAC concentrates on something that is de minimis in the broader scheme of things because that is more appealing in terms of publicity.

Let me conclude—*[Interruption.]* Thank you. Let me conclude with the words of Her Majesty on her 21st birthday in South Africa:

> "I declare before you all that my whole life whether it be long or short shall be devoted to your service and the service of our great imperial family to which we all belong."

Mr Evans, God save the Queen.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Follow that, Mr Davidson!

Mr Davidson: It is difficult to follow a speech like that because in many ways, it took the biscuit.

Chris Ruane: Bourbon!

Mr Davidson: Of course, as my hon. Friend says, that biscuit would be a Bourbon.

It is worth while clarifying the question of the ownership of the Crown Estate. Is it owned by the monarch as an individual or the monarchy as an institution? When the

[Mr Davidson]

Public Accounts Committee looked at this matter, there was a consistent attempt by officers of the monarchy to confuse and conflate the two. We need to ask ourselves this question: were the monarchy abolished, would Crown Estate moneys and properties belong to the deposed monarch as an individual or would they remain with the state? It is quite clear that they would remain with the state. Therefore, the moneys and the estates are not the property of the individual who happens to be the monarch at any particular time. That clarifies a number of things.

Mel Stride (Central Devon) (Con): Will the hon. Gentleman give way?

Mr Davidson: No, I want to proceed because we are short of time.

I am seeking clarification from the Chancellor, who, I remember, was on the Public Accounts Committee when he was a young whippersnapper—I have often wondered what happened to him since. Will the National Audit Office, the interventions of which I will welcome, also be able to look at all elements of royal involvement? In particular, can it look at the royal art collection, about which there were serious discussions and disputes in the past? That would seem to be covered by what he has said, but it is not immediately clear.

Is the Crown Estate the right body to take into account when determining the monarch's income? Those of us on the Public Accounts Committee who examined the Duchy of Cornwall's accounts were absolutely clear that the Duke of Cornwall was manipulating the money involved, by playing a major role in determining the amounts of expenditure and income, thereby determining how much money came, or was available, to him as an individual.

Quite clearly, the Crown Estate could be leant on by the monarchy to make decisions on expenditure and income in the short term to affect the amount of grant that the royal family receive. The grant would then be on, as it were, a golden ratchet—a bit like EU expenditure, it would always go up, and never down. There is clearly scope for abuse in those circumstances. Will the Chancellor clarify those points?

Will the Chancellor also take into account the fact that there is due to be a windfall from wind and wave power? Will he assure the Committee that all of that will be taken into account when the review takes place in due course?

Mr George Osborne: I shall deal briefly—because time is short—with the points raised. I should say first, however, that I am grateful to the Committee and the Opposition Front-Bench team for the general support they have given to clause 1 and indeed the whole Bill.

My hon. Friend the Member for Gainsborough (Mr Leigh) raised the key question: how do we create a mechanism that preserves the dignity of the monarchy while ensuring that the House is accountable for the expenditure of public money? As I said in my opening remarks, there is the question of whether the money provided is enough or too much. I said that we do not want a cut-price monarch or a lavish monarchy. As a general guide, I have looked at how much the monarchy has spent over the past five years. On average, £34 million of public money has been given per year through various forms of grant and money drawn from a reserve built up using public money. I have said that that is not a bad guide for the future and that 15% of Crown Estate revenue will provide that amount over the rest of the Parliament. In 2016, we will review whether that is the right amount.

Mr Cash: The Chancellor referred just now to something that I found difficult to accept. He distinguished between a cut-price monarchy and a lavish monarchy. Given Her Majesty's incredibly distinguished performance over the past nearly 60 years, to which my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) referred, does he appreciate that this is not about being lavish, but about effectiveness and dignity?

Mr Osborne: I agree that it is all about effectiveness and dignity, and I think that the Bill strikes the right balance between those who say that the monarchy is spending too much and those who say that it is not getting enough money for its official duties. The Bill has been discussed with the royal household, and it is content with it, which is why the whole process began with a Gracious message.

I want to clear up a misunderstanding. There will be a real-terms increase in the annual sums that Parliament provides, but that is because the royal household has been relying on a reserve of public money that has built up over time. That reserve has come to an end, and as I said a couple of weeks ago, the previous Chancellor of the Exchequer, perfectly reasonably when confronted with this issue before the general election, said, "I think we'll wait until after the general election and let whoever are the Government then deal with it." We are here because we have been relying on a reserve of public money that has run out. However, with the mechanism we are putting in place there will be a real-terms reduction of up to 9%—on our estimates—in public support for the royal household.

The shadow Chancellor and others, including the hon. Member for Glasgow South West (Mr Davidson), asked what would happen if there was a windfall from, for example, the offshore marine estate. At the moment, that constitutes a very small part of the revenues of the Crown Estate—about 1%, as I understand it. It is perfectly possible that, in the latter part of the decade or in the next decade, there will be a big increase, but, because I have accepted the spirit of the Opposition amendment, we will now have a review in 2016 and will be in a much better place to assess whether there will be such a windfall. However, I think that it is highly unlikely. No one is predicting a massive windfall in the next three or four years leading up to that review.

The reserve provides a check. The expenditure of the royal household is audited by the National Audit Office and if the money is not being spent for purposes for which it is provided by Parliament, it will come out in the audit. If there is an excess—in other words, if the sovereign grant is more than it needs—it goes into a reserve. That is a long-established principle. There is now a check on that reserve so that it cannot rise above 50% or thereabouts of the money from the sovereign grant, which was not the case before the Bill was presented to the House. The trustees—the Prime Minister, the

Chancellor and the Keeper of the Privy Purse—have to provide an annual report to the Treasury, and through the Treasury to Parliament, on that reserve.

A couple of specific points were made about Marlborough house. The hon. Member for North Durham (Mr Jones) raised this point a couple of times. Marlborough house will remain the Government's responsibility and is currently used by the Commonwealth Secretariat, as I am sure he knows. It will be up to the royal household to decide what premises it needs. It would, for example, be able to rent premises if it needed to, but I do not think that that is relevant to the support that we are providing.

The hon. Member for Bristol West (Stephen Williams), who is no longer in his place, asked about the mausoleum. It will stay on the English Heritage buildings at risk register until it is repaired in five to eight years' time. My hon. Friend the Member for Gainsborough asked about the governance of the Duchies of Lancaster and Cornwall. I did not think it appropriate to open up that issue in this Bill, which is more narrowly focused on the official support that Parliament provides to Her Majesty.

I hope that I have now answered all the questions that have been raised, and that clause 1 can now proceed to stand part of the Bill.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

Accounts of the Royal Household

John McDonnell (Hayes and Harlington) (Lab): I rise to speak to amendment 1, page 2, line 31, at end add—

"(4A) The statement must be accompanied by information showing the numbers of directly or indirectly employed hourly-paid staff of the Royal Household working in or in connection with the Royal Palaces in London who in the financial year in question were paid at or below £8.30 an hour.".

I shall be as brief as possible, given the time constraints. The amendment is straightforward. Clause 2 proposes that the royal household's accounts are to be reported. I am asking that a statement be included in that report to show the number of employees who are directly or indirectly employed by the royal household and who are being paid at or below £8.30 an hour. The reason that I have arrived at the figure of £8.30 is that that is the London living wage, as set by the Mayor of London, who has described it as the wage level designed to provide a

"minimum acceptable quality of life"

for people working in the capital.

The London living wage was started by a group of religious organisations, churches and trade unions 10 years ago, as part of a campaign by London Citizens. They came together to try to tackle poverty, and recognised that the national minimum wage did not allow people to avoid living in poverty in the capital city. They have campaigned over the past decade to press employers to pay the London living wage. They have targeted cleaners, in particular, who are living in poverty. They campaigned and they won. First, they won in a number of banks at Canary Wharf, then they came to Parliament and ensured that we paid our cleaners the London living wage. The campaign continued right through the capital, and more than 200 major companies have now signed up to the London living wage campaign. The Prime Minister himself described it as

"an idea whose time had come".

The Leader of the Opposition appeared with him on a platform before the general election with members of London Citizens to sign up to the London living wage. Every mayoral candidate has supported it. Why? They did so because all of us want to see people living out of poverty. Yet in the royal household, which is only a mile and a half away from here, the workers who are employed by contracting companies including KGB—

Chris Ruane: The Russians!

John McDonnell: It is an unfortunate name, but there we are.

People working in the royal household for companies such as KGB and GreenZone are being paid £6.45 an hour, maximum. We have discovered that many of them are organised by the Public and Commercial Services Union, which is not recognised by the companies. Many of those people do not even have written contracts, which is an illegal practice. The number of jobs there has just been cut, and the work load has increased. Some people have had their hours increased, but they are still living on poverty wages.

The amendment would simply ask the royal household to publish the information on how many people working for the royal family, cleaning their rooms and corridors and serving them in different ways, are being paid below the London minimum wage. In this way, I want to recruit the royal household to support the London Citizens campaign. I want it to lead the campaign. As the Mayor of London himself has said, no company in London should be paying less than the London living wage. The Prime Minister, the Leader of the Opposition and, I believe, the Chancellor and the shadow Chancellor have signed up to the campaign in the past. The amendment simply seeks to tackle poverty wages in London. On that basis, I hope that we can expect the unanimous support of the House.

4.45 pm

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): The Question is proposed that the amendment be made.

Hon. Members: No.

John McDonnell: On a point of order, Mr Evans. I do not wish to move the amendment at this stage. Having made my statement, I do not wish to delay the Committee, as there are more important amendments to consider.

Clause 2 ordered to stand part of the Bill.

Clauses 3 to 6 ordered to stand part of the Bill.

Clause 7

Review by Royal Trustees of Sovereign Grant

Manuscript amendment proposed: A, page 6, line 7, leave out '7' and insert '4'.—(*Mr George Osborne.*)

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 6, page 6, line 7, leave out '7 years' and insert '3 years'.

Government manuscript amendment B.

Amendment 7, page 6, line 8, leave out '7 years' and insert '5 years'.

Amendment 8, page 6, line 8, at end add—

'(6) The Trustees shall also review the percentage for the time being specified in Step 1 of section 6(1) as soon as practicable if, over the financial year immediately preceding the base year, the income account net surplus of the Crown Estate increased by more than the trend rate of GDP growth.

(7) In subsection (6), "the trend rate of GDP growth" means the estimate of the trend rate of GDP growth most recently published by the Office for Budget Responsibility which is applicable to that year.

(8) Subsections (2) to (4) shall also apply to a review carried out under subsection (6).'.

Kerry McCarthy (Bristol East) (Lab): I wish to speak briefly to amendment 8. This would introduce a check on potential future rises in income from the Crown Estate. At a time when Departments and the public generally are having to take very difficult decisions to make their limited budgets cover the essentials, we should at least apply careful analysis to what sort of income the 15% figure would bring in for the royal household over future years. I would appreciate any information Ministers have on forecasts for the sovereign grant over the coming years, particularly regarding this spending review period.

We are very short of time, but I shall press on with the issue of meeting the royal household's needs. When I met the Economic Secretary yesterday—I was pleased to have the opportunity to discuss these issues with her and the Bill team—we had a discussion about the fact that the civil list has not adequately reflected the needs of the royal family in the past. At one point, it was being paid too much money and amassed significant reserves; then, it was not paid enough to meet its needs and had to draw down on the reserves I appreciate that the current formula may not be appropriate, but a formula fixed to income on the basis of something like the Crown Estate is not necessarily any more likely to meet royal spending needs.

In 2010-11, the Crown Estate profits were £230.9 million. If the new mechanism were already in use, that would mean a grant in two years' time of £34.7 million. Instead, the 2012-13 grant has been set at £31 million in recognition that 15% would not be appropriate or proportionate. This is why we are asking the Government to consider a more flexible mechanism in future.

When the Chancellor spoke in the preliminary debate the other week, he said that the grant to the royal family should reflect generally how well the economy is doing. The particular concern we have—it has been touched on already—is that the Crown Estate includes investment in offshore wind, particularly the new wind-power projects that are coming on board. I think the chief executive of the Carbon Capture and Storage Association said that the carbon capture and storage industry is likely to be very big in the future, probably measured in trillions of dollars. We think that could have an impact on the accounts, too.

We were grateful for the Chancellor's assurances during the debate on the funding resolution that we will not allow revenues from offshore wind to lead to a disproportionate rise in revenues for the royal household. I would be grateful for any further information about what safeguards could be put in place

Amendment 8 would help. It would limit disproportionate increases to the royal household. I welcome the fact that the Government have tabled manuscript amendments in response to our amendments which would provide an earlier review period. As the Bill was originally drafted, the first review of the new arrangement would not have taken place for seven years and there would then have been a review every seven years after that. We thought that the first review should take place within three years and that subsequent reviews should take place every five years. We have listened to what the Government had to say about three years being unfortunate in that it would coincide with the next general election. We are happy to accept the Government manuscript amendments that the first review should be four years and subsequent reviews every five years. We do think, however, that there should be another mechanism to address the fact that no cap is in force. There is a cap on the reserves, but there is no cap on the potential increases that the 15% figure, linked to the income of the Crown Estate, could generate.

I shall skim over much of what else I was going to say, but we think it important to have some upward cap. I shall be interested to hear what the Minister or the Chancellor have to say in response.

Mr George Osborne: As was acknowledged by the shadow Chancellor, we have taken on board what I consider to be the most significant amendments in tabling our own manuscript amendments. There will now be a review in 2016, and there will be a review every five years after that. If the House accepts our amendments we shall be able to prevent some windfall from offshore renewable energy from not being taken into account before it comes about. We will have a chance to do that in 2016, and that is partly because we have accepted the Opposition's amendments.

I have already dealt to some extent with the point raised by the shadow Chancellor, and by amendment 8, about whether some other mechanism is needed. A fair number of checks are already in place. If the grant turns out to be more than the royal household needs—and the assessment of need will be checked by the National Audit Office—it will go into a reserve. If the reserve hits 50% of the grant, the trustees will step in and reduce the amount of money coming in. They will turn down the taps. That is a sensible mechanism, and it means that we will not be having an annual debate in the House about royal finances, entertaining though the last few hours have been.

The hon. Member for Bristol East (Kerry McCarthy) specifically asked why the figure for 2012-13 was £31 million. In a sense, that question lies at the heart of the issue. I accept that this is a complicated concept. The royal family have been relying on grants from Parliament—either the civil list or the royal travel or royal palaces grant—and supplementing them with a reserve which has been built up, with the use of public money, in the last decade or two. In 2012-13 the royal family will get the £31 million, but they will also expect to draw on the last of the reserve that was built up in the 1990s and 2000s. They will, in effect, receive more than £1 million from public money—money raised through taxation—because they will be using the last of that reserve.

Ed Balls: When I said that there would be a 3.2% real-terms rise from next year until the end of the Parliament, I did not mean a rise in the grant; I meant a rise in total

expenditure. Total expenditure in 2012-13 will be £33 million and will rise to £35.5 million, which, in 2010-11 prices, is a rise from £31.3 million to £31.9 million. Although the Chancellor has made an important historic point about the reserves, the 3.2% real-terms is not driven by the reserves: it is merely an overall rise in total expenditure. I do not think that the Chancellor was entirely right on that point.

Mr Osborne: The point I was making was that, although there are lumpy movements in individual years—in 2010-11, for various reasons, some capital works were delayed and will be undertaken next year—the average of £34 million, which was £37 million two years ago, amounts in effect to a cash freeze and a real-terms reduction.

Ed Balls: Over the Parliament.

Mr Osborne: Over the Parliament. But the point is that it strikes the right balance between too much and too little.

I think that the checks are adequate, and for that reason, although I have accepted a couple of the Opposition's amendments, I do not wish to accept amendment 8.

Manuscript amendment A agreed to.

Manuscript amendment made: B, page 6, line 8, leave out paragraph (b) and insert—

'(b) every period of 5 years beginning at the end of another review period.'—*(Mr George Osborne.)*

Amendment proposed: 8, page 6, line 8, at end add—

'(6) The Trustees shall also review the percentage for the time being specified in Step 1 of section 6(1) as soon as practicable if, over the financial year immediately preceding the base year, the income account net surplus of the Crown Estate increased by more than the trend rate of GDP growth.

(7) In subsection (6), "the trend rate of GDP growth" means the estimate of the trend rate of GDP growth most recently published by the Office for Budget Responsibility which is applicable to that year.

(8) Subsections (2) to (4) shall also apply to a review carried out under subsection (6).'.—*(Ed Balls.)*

Question put, That the amendment be made.

The House divided: Ayes 148, Noes 241.

Division No. 327] **[4.55 pm**

AYES

Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jon
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brown, Lyn
Bryant, Chris
Burden, Richard
Campbell, Mr Alan
Caton, Martin
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Dobson, rh Frank
Docherty, Thomas
Dowd, Jim
Dugher, Michael
Eagle, Ms Angela
Edwards, Jonathan
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Gwynne, Andrew
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lazarowicz, Mark
Lloyd, Tony
Love, Mr Andrew
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Robinson, Mr Geoffrey
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Owen
Spellar, rh Mr John
Stuart, Ms Gisela
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie

Tellers for the Ayes:
Mr David Hamilton and David Wright

NOES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom

Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Davey, Mr Edward
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Ellis, Michael
Ellison, Jane
Eustice, George
Evans, Jonathan
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
George, Andrew
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hammond, rh Mr Philip
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Hughes, rh Simon
Huppert, Dr Julian
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Maude, rh Mr Francis
Maynard, Paul
McCartney, Karl
McLoughlin, rh Mr Patrick
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Thurso, John
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Wiggin, Bill
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Robert Goodwill and Miss Chloe Smith

Question accordingly negatived.

5.8 pm

Proceedings interrupted (Order, this day).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Order, this day).

Clause 7, as amended, ordered to stand part of the Bill.

Clauses 8 to 17 ordered to stand part of the Bill.

Schedules 1 and 2 agreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill, as amended in the Committee, considered.

Third Reading

5.10 pm

Mr George Osborne: I beg to move, That the Bill be now read the Third time.

I shall be brief. I want to thank the House for the two days of debate and for the scrutiny and entertainment that has been provided. We have discussed chocolate biscuits, Tupperware, secret treaties and what the hon. Member for Bolsover (Mr Skinner) said in 1971, the year in which I was born. I particularly want to thank various participants, such as the hon. Member for Newport West (Paul Flynn), the hon. Member for Glasgow South

West (Mr Davidson), who is not in his place, and my hon. Friends the Members for Gainsborough (Mr Leigh) and for North East Somerset (Jacob Rees-Mogg). They all showed a passionate interest in this subject and knew what they were talking about. They argued from different points of view but helped to enlighten the debate.

Of course, it is not just Ministers and the Chancellor who do the work on such proposed legislation. An official team at the Treasury have been working on it for more than a year and I want to thank them for their hard work. I thank the royal household for its engagement as well as Alan Reid, the Keeper of the Privy Purse, with whom I have been liaising throughout. We have got the balance right between providing the funds to allow the monarch and her family to do their official duties with dignity and the kind of support we would expect for our Head of State while at the same time providing checks and balances on how that money is spent and allowing Parliament to scrutinise those resources for the first time. I suspect that such scrutiny would have been unthinkable decades ago.

Many people have referred to the fact that in 1760 the arrangement was put in place whereby the revenues from the Crown Estate were handed over for the lifetime of the monarch in return for a parliamentary grant. I do not know whether the arrangements in the Bill will last for 250 years—that is probably a bit ambitious—but I hope they last for many years and decades to come. That might mean that the House will miss the entertaining debates we have had over two days, but it will also ensure that our monarchy is properly funded, that it is above the annual political fray and that it can get on with doing what it does so well: representing our country and being our Head of State.

5.12 pm

Ed Balls: I echo the Chancellor's thanks to Members on both sides of the House for the way in which they have participated in the debate. In particular, I thank my hon. Friends for the way in which they have helped us play the Opposition's proper role in scrutinising such legislation. There have been many historical references and when we look back to the last serious debate in Parliament, in 1971, we can see that the tone of those debates was very different from that of our debates today and a fortnight ago. That shows that there have been many changes since the early 1970s, including more pressure on and exposure for the monarchy, as well as an unprecedented degree of international exposure. The consensus on the role of the monarchy in our constitution and in our country is stronger now than it was during the previous debate, which has been shown by the speeches from both sides of the House as we have scrutinised the Bill. I thank the Chancellor of the Exchequer for being willing to brief us and to be involved in serious discussions that have led to changes in the Bill. The manuscript amendments that he was willing to table following our suggested amendments were welcome.

The change will lead to an unprecedented increase in the scrutiny of the royal household by the National Audit Office, the Public Accounts Committee and Parliament. As the Chancellor has said, that is a good thing in building further trust and support for the monarchy in our country. Obviously, I regret the fact that we did not manage to get agreement on our trigger mechanism if revenues from the Crown Estate rise rapidly in coming years, but there are measures, checks and balances to make sure that we can properly do our job as parliamentarians in ensuring that money is well spent but also that the monarchy is properly financed.

Let me conclude by saying it is of great regret that the—oh, he is still here. For a second, I feared that the hon. Member for North East Somerset (Jacob Rees-Mogg) had left and I wanted to thank him for his contributions to the debates. It is an open question whether the financial settlement for the Crown Estate that the Chancellor generously set out will make affordable the finest horses and the gold-gilt carriages that the hon. Gentleman called for in the debate a fortnight ago as befitting Her Majesty. However, I assure him that it will certainly be enough to pay for Bath Oliver biscuits with chocolate on the outside; there is no doubt about that. His contributions have been welcome. As I said, this has been an important debate about history as well as the future and it is good to have present an hon. Member who has a great grasp of that history. Indeed, some of us sometimes think he might have been there in 1760—more in style than in substance. We thank him and all hon. Members who have contributed to the debate. The job of scrutinising these matters now starts for Parliament and I thank the Chancellor for helping us to ensure that that will be done properly in the years to come.

5.16 pm

Tristram Hunt: In Committee, the hon. Member for Gainsborough (Mr Leigh) said that the monarchy was a fragile institution, but I beg to differ. The monarchy has shown itself to be a very powerful and strong institution, lasting over the centuries. If the British state was beginning again, we probably would not start by creating a monarchy: it is irrational, inequitable, inherently sexist, myopic and averse to many of the principles of progressive politics and the social democratic future that we on the left hold dear. However, we are where we are and there is no enthusiasm for dismantling the monarchy.

Mr Davidson: Yes, there is.

Tristram Hunt: Among the public as a whole.

We in opposition should be brave and confident enough to think about some of the monarchy's strengths, which is partly what the Bill is about ensuring. First, the monarchy gives a broader notion of citizenship. We on the left often get in a lather about being subjects rather than citizens and whether that holds back our politics, but the virtue of the monarchy is that it creates a notion of citizenship that is not necessarily linked to ethnicity. It is not a blood-and-soil notion of citizenship. The political scientist John Gray put it rather well when he wrote:

> "The monarchical constitution we have today—a mix of antique survivals and postmodern soap opera—may be absurd, but it enables a diverse society to rub along without too much friction."

It also points to a wonderful thing about Britain—that we have no purpose in the world, unlike the great republics of France, America or Italy, where there is an endpoint, or telos, to do with happiness or improving equality. Britain has no ultimate endpoint and monarchy is part of that.

Thomas Docherty (Dunfermline and West Fife) (Lab): My hon. Friend has demonstrated that he has a far superior knowledge of history than perhaps any other Member of the House who was not actually there during large sections of it. Does he agree that the histories of the United States and France are histories of violent revolution, whereas we have had a period of stable evolution, apart from a dark period in the 1650s and so on, largely because we have had a constitutional monarchy?

Tristram Hunt: I take my hon. Friend's point, but we should not over-emphasise our Whiggish stability over the years. We often used to think of the 18th century as the age of equipoise and stability. In fact, underneath that monarchy, all sorts of revolutionary fervour was going on. The campaign of my hon. Friend the Member for Newport West (Paul Flynn) to have the Chartists properly recognised in the House hints at a slightly different history. It is a source of great sadness to many people that, although the House was rebuilt in the 1830s and '40s, it took until mid-1890s for the statue of Cromwell to appear outside.

For all its narrow, Eurocentric and white family structure, the royal family also has a curious internationalist sensibility, for to understand the British royal family in the 19th and 20th centuries is to understand empire and the nature of Britain in the world. As we have heard today in respect of reforming the Act of Settlement, the monarch was also monarch of imperial nations across the world, then the British Commonwealth and then the Commonwealth. That points to the unique nature of Britain: its openness and sense of citizenship, which is, again, above and beyond blood and soil. Part of the strength of monarchy is that it speaks to the multicultural, multi-faith age in which we live. There is a curious modernity about the nature of monarchy, which, again, keeps its strength going.

The real virtue of the royal family today is the soft power embodied within it. We have heard, quite rightly, detailed discussions about £35 million or £37 million costs this afternoon, but the royal family as a brand vehicle for Britishness is worth huge sums more than £35 million or £37 million. The sums regained from the world's media focus on London during the royal wedding recently were far in excess of its cost. Although our beloved former Prime Minister, Tony Blair, used to describe Britain as a young country, it is, in fact, a very old country.

Oliver Heald (North East Hertfordshire) (Con): I am listening carefully to the hon. Gentleman, but does he agree that we do not need a new, written constitution because we have gradually evolved as a country. Other countries look at us and at Parliament—the mother of all Parliaments—because we have been through a great, long history. We have managed to achieve something. We stand for things in the world. We stand for democracy, freedom of speech, common law and the rule of law, whereby this country has made the sort of decisions that it has over the past few days.

Tristram Hunt: I thank the hon. Gentleman for his intervention, but he knows far better than I do that, of course, in the quote about the mother of Parliaments, John Bright was referring to the whole country, rather than to Parliament. The hon. Gentleman points to the dangers of a written constitution, although my hon. Friend the Member for Nottingham North (Mr Allen) would vehemently disagree and do so in quite some detail if pressed.

Part of our strength as an old country is connected to the royal family and monarchy, which has taken different forms over the years. We have in this country a natural resource in history. As other nations have oil and diamonds, we have the past, and we need to use it as a source of leverage in the world.

In addition to soft power, the royal family also brings hard currency. I am privileged to represent Stoke-on-Trent, where the Chancellor will soon visit many successful businesses in the area. Many ceramics companies in my constituency have enjoyed record profits on the back of the royal wedding. The profits of Bridgewater, Portmeirion and Hudson and Middleton show that the ceramics industry is booming on the back of the royal wedding.

According to VisitBritain spokesman, Paul Eastham,

"Our culture and heritage reputation is very strong around the world. At the heart of that lies monarchy."

Many historians and I would disagree that the nature of Britain is innately bound up with monarchy, but we should not kid ourselves about the fact that, as the success of the visit of the Duke and Duchess of Cambridge to Canada and California has shown, it brings remarkable attention to Britain. I was involved in constituency business in Australia at the time of the royal visit to Canada and California, but the media attention focused on that young couple—and another great global icon, Ms Kate Moss—from right around the world was remarkable.

There is a job to be done, and many members of the royal family do it very well. We come to the tricky question of financing it. I share my Front Benchers' concerns about making sure that we have a proper vehicle to ensure that excessive profits and marked changes in the amount of money flowing to the royal family are properly looked after. I, too, still have questions about the shared ownership of assets when it comes to the royal family. I also share concerns about security costs. We in Stoke-on-Trent were greatly privileged to have a visit by the Earl of Wessex recently, but I have to say that I thought that the security costs and the entourage involved were not wholly necessary.

On timetabling, the move from seven to five years is quite right. When we return to government in the imminent future and return, hopefully, to four-year Parliaments, that period can go down to four years from five years, to reflect the length of a Parliament.

The Chancellor has come up with the least worst option for financing the royal family. As the hon. Member for Gainsborough suggested, the royal palaces are in real danger of decay. Many of them have not had the infrastructure investment that they demand, and demands on their fabric will grow. As part of the quid pro quo of the settlement, we need from the royal family further opening-up of some of the royal palaces, and we need to think more creatively about the art collection held by Her Majesty. We need to continue bearing down on costs, and we need the kind of public accountability and audit that the Bill brings to bear.

The Chancellor and shadow Chancellor spoke of the language of utility and satisfaction, in terms of the relationship between Parliament and monarchy, and this settlement sets us on that road.

5.27 pm

Michael Ellis: I am delighted to follow the hon. Member for Stoke-on-Trent Central (Tristram Hunt), who is clearly a royalist, and who is a founding member of the all-party parliamentary group on the Queen's diamond jubilee, and I congratulate him on that.

It is easy to try to put a price on monarchy, as I think the hon. Gentleman was saying. Of course, to a certain extent, one has to do that, especially in such a debate as this, but the monarchy, personified so ably by our sovereign, is not bounded by monetary value; it is about honour, nobility of conduct, its historical nature, and an institution of which we can all be proud. If we look in some detail at the mischief that the Bill is trying to redress, the finances of the royal household, designed to support Her Majesty, are currently overly complex. There are no fewer than four grants, which are themselves hidebound and bureaucratic. They have a tendency to be inflexible in that if there is a depletion of one grant, there cannot be a transfer from the other grants to fill the gap. Consequently, the system clearly does not work. That, in and of itself, irrespective of one's ideological views about monarchy as an institution, needs to be redressed.

However, it goes deeper than that, because the sums we are talking about—approximately £35 million—are, in governmental terms, de minimis. They are minuscule. I dare say that this area of expenditure is more scrutinised, deeply analysed and debated in various forums, including this House, than other areas of the public finances, where hundred of millions, or even billions, of pounds are spent, so there is no shortage of scrutiny whatsoever. It is clear that for the first time since the early 1970s Parliament is looking at a proper modernisation of the finances of the royal household and the monarchy.

Thomas Docherty: The hon. Gentleman refers to the level of scrutiny that the household finances receive, but this debate will last less than three hours. Does he not think that that is a flaw?

Michael Ellis: I think one can tell from the number of Members in the Chamber that the matter has been debated perfectly clearly.

The Crown Estate is the property of the sovereign and is in the right of the Crown. In the generations since George III's accession in 1760, successive Governments have gone to the sovereign of the day and asked, "May we have the proceeds from the Crown Estate?" All sovereigns since, including George IV, William VI and so on, have signed away those rights. However, from a legal perspective, the fact that the application has been made and the request granted on each occasion perhaps indicates how the law would look at the matter. It seems clear to me that the revenue is surrendered to the Exchequer and that the legal implication of that act of surrender is that the revenue belongs to the Crown.

The sovereign grant is normally set as equal to 15% of the profit from the Crown Estate, as has already been alluded to. It could be argued that that is sufficient, but it is not over-generous, and no one could reasonably argue that it is disproportionate to the affairs of the Crown. If one takes the care to look at where Crown expenditure actually goes, one will see that much of it goes back to general public usage. For example, most of the communications allowance is spent on writing paper, stationery and clerical costs for responding to items of correspondence received by the royal household. With regard to entertainment costs, tens of thousands of British subjects receive hospitality at garden parties, for example, so costs are incurred in that way.

The royal palaces account for a huge part of royal expenditure. If we did not have a royal family, it is reasonably safe to assume that we would retain the palaces—one would hope that they would not be knocked down to build car parks—and consequently there would be museums that would need to be maintained, although no doubt few people would visit them. The roofs would still need to be fixed and leaks repaired, so the Exchequer would not save. When one takes the care to look at the expenditure, one will see that it is extremely modest and, as has been alluded to, extremely impressive savings have been made over the past couple of years.

The current system is inflexible, overly bureaucratic and has not been as transparent as it could have been. One cannot rationalise romance, and I take the point made by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) and others that the institution of the monarchy is about more than just money, but one must bear in mind that although the monarchy is an emotionally unifying institution and, in my view, crucial to the success of this state, it is also susceptible to proper analysis of its finances, which is what the Bill will do. Consequently, I give it my full support.

5.35 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I have a series of concerns with the Bill. First, it creates an artificial link between the profits from an estate given up by the royal family in 1760 and an amount required to carry their official duties in the present day. My major concern is with the escalator process that is put in place, whereby the amount that is received each year will be the same as or greater than that of the previous financial year, either through the floor introduced in the Bill or because 15% of the Crown Estate's profits is greater than the floor. I am disappointed that the Opposition amendment on that was defeated in Committee.

There are curious oddities in the Bill. Why is there a need to round up the Crown Estate's profit to the nearest £100,000? Why round it upwards and not downwards? Why round it up at all? The profit of the Crown Estate is a red herring. There is no link between the successful organisation of the estate's affairs and the amount received by the royal family. This is not a business arrangement. I recognise that there are arguments that the royal family should receive a lump sum and be able to transfer funds for better use. I also recognise the argument that the money provided is given for a specific purpose. However, if it is not being used for that purpose, on what grounds is that amount of funding being given?

As many Members have said, there should be a regular needs-based analysis of the royal family's expenditure, with grants provided accordingly. Having said that, I like the idea of a reserve fund for money that is not used. This sounds like the end-of-year flexibility that the Welsh Government set up under Plaid Cymru a few years ago, only for the Treasury to steal back

[Jonathan Edwards]

£400 million earlier in the year. I look forward to the day when the Treasury follows the same pursuit in taking back money allocated to the royal family.

The Crown Estate, which is a key part of the Bill, is owned by the state and administrated by commissioners. It owns large areas of land in Wales and claims the seabed and foreshore as part of its urban, rural and maritime portfolios. Yet last week's annual report fails to provide a nation-by-nation or regional breakdown of the investments and profits of the Crown Estate. Figures for Scotland are provided on the website, but apparently no comparable figures for Wales are published. In the interests of transparency, we would like to see those figures published. In the interests of Wales, we would like to see responsibility for the Crown Estate in Wales transferred to the Welsh Government. This is our land and our seabed, and it should be used for investments that benefit the people of Wales.

Mel Stride: I feel that I must return to the status of the Crown Estate. Does not the hon. Gentleman accept that it is effectively owned by the institution of the monarchy and not by the state at all?

Jonathan Edwards: I do not agree. My belief is that the Crown Estate in Wales should now be devolved to the Welsh Government.

Profits are coming from the use and exploitation of these assets. Those profits, be they for renewable energy on land or sea, should be given to the people of Wales. Having control of the Crown Estate land and sea in Wales would give us the opportunity to be a world leader in renewable energy and to develop our economy accordingly. In the meantime, the Bill should not include reference to the Crown Estate and should instead provide a series of grants according to the needs of the royal family to undertake their duties. If we are to have one single sovereign grant that is not needs-based, then why not simply increase it by the consumer prices index, as that seems to be the Government's preferred measure of inflation?

5.38 pm

Paul Flynn (Newport West) (Lab): It is a pleasure to follow the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards). I agree with every single word of his speech.

These are delightful occasions. I am sorry that the hon. Member for the middle ages and North East Somerset (Jacob Rees-Mogg) has left us, because he gave us another cameo performance today, although he did not give the same peroration. He would have been very much at home in the court of King Canute.

A couple of days ago, the hon. Member for Northampton North (Michael Ellis) rather optimistically sent me a letter—addressed to me by my first name, although I do not really know him in any way—requesting a contribution for the new stained glass window. I am afraid that I had to send him a rather disappointing reply. He did persuade me to put down an early-day motion drawing attention to the fact that we are already fairly well supplied with statues, pictures and paintings of royalty in this place, but very badly off in those things for a range of people, such as the Tolpuddle martyrs, the Chartists and the suffragettes, who have contributed hugely to the strength of our democracy and transformed this country into the proud modern democracy that it is now.

Whenever royalty is discussed, the House becomes infantilised. It is worth mentioning again that because of our own decisions, which go back seven centuries, we are not allowed to criticise not only the monarch, but any member of her family. When an attempt was made to have a debate on the conduct of Prince Andrew on two occasions, I and other Members were gagged in saying anything about him that was not emetic, sycophantic drivel. We must understand that in this debate and many others, we are denied the opportunity as a free Parliament to discuss the personalities and behaviour of the entire royal family—not that I want to be critical tonight.

I tried to make a point in the earlier debate about the special need for the role of the Head of State. The point of the story that I told about Mrs Thatcher is that we need someone who is above politics to act when a Prime Minister gets out of control. There was a possibility in 1990 that Margaret Thatcher could have caused a general election and that Parliament, the Cabinet and the Conservative party would not have been able to stop her. However, the Queen could have stopped her and almost certainly would have done so given the Queen's personality and status. It is questionable whether other Prime Ministers would have had that strength of character and whether possible other monarchs would have had that strength of character. I am thinking of the Queen's uncle and the Queen's successor, who suffers from an incontinence of interference in matters that are way outside what a monarch should be involved in.

Thomas Docherty: On a point of order, Mr Deputy Speaker. Could you remind me whether it is appropriate for an hon. Member to make remarks that appear to be disparaging about a member of the royal household?

Mr Deputy Speaker (Mr Nigel Evans): I have already had to remind Mr Flynn that when he is referring to the royal family, he should do so with dignity, as their status in this country behoves. I hope that he will refrain from disparaging remarks in the future.

Paul Flynn: That is a splendid illustration of the fact that we are infantilised and incapable of the freedom of expression that I would have if I was writing a blog, speaking on the radio or writing in a newspaper. This House and our role is diminished because of that. As an elected representative who has long been regarded by my constituents as a republican, I am denied the opportunity of speaking the truth as I see it.

Tristram Hunt: On my hon. Friend's substantive point, does he not think that the Fixed-term Parliaments Bill will withdraw the capacity for such royal interference in elections?

Paul Flynn: I think that many advances have been very beneficial. One of the most important was the decision we took in 2003 to vote on whether we go to war. Some 230 Members voted against. Unlike my hon. Friend, I do not agree with many of the attributes that

give us our national status in the world of being "wider still and wider". Many people praise us for that because it means that we can punch above our weight. It also means that our soldiers have to die beyond our responsibilities. We have taken on an unreasonable share of the dying in Afghanistan and Iraq because of the elevated view we have of our status, which is a damaging view.

Mr Deputy Speaker (Mr Nigel Evans): Order. We are going far wide of what we are here to speak on, which is the Third Reading of the Bill. Other Members wish to speak, so keep to the Bill, Mr Flynn.

Paul Flynn: The hon. Member for Gainsborough (Mr Leigh) made a point about the Bill and about whether those at Buckingham palace listen to our debates. I assure him that they do. The last time I spoke on these issues, I had a call from Buckingham palace within an hour telling me that the information I had given about the heir to the throne's income increasing by 50% in a year and his spending of taxpayers' money increasing by 18% was absolutely accurate but could be misleading. So we are under that surveillance, I am happy to say.

I believe it is a complete myth to think that the Crown Estate is the property of the royal family, and it is a disingenuous view. In the Bill there is an attempt to refresh and replace that idea. I saw an interesting quote in the *Financial Times* from a Government source, who said:

"There is a major constitutional issue with appearing to say that"

the Queen

"owns all this stuff when she doesn't".

It is quite clear that the Crown Estate is the property of the country, and that the revenue should go to health, social security and the other issues before us.

I cannot understand why Members, particularly our own Front Benchers, having seen that the Bill was coming up—we have one every 250 years—are maximising the understandable current popularity of the royal family to ensure that it gets through and that there is a settlement that could be very expensive in future. If the Bill had been presented to the House at the time of Diana's death, or another time when the royal family were very unpopular, the House would have given a very different view. Clearly this is a honeymoon time in which to introduce it.

I believe that, as has been suggested, a simple mechanism should have been adopted. As is the case for other taxpayers, such as recipients of income support and housing benefit, there could be a mechanism linked to inflation. I suggest again that it should be the same mechanism that decides on pensioners' increases, which have sadly been reduced because of the change from the retail prices index to the consumer prices index. If that measure were introduced and the funding were divorced from the Crown Estate, it would work and it would seem fair. Would it not be marvellous if we demanded from the royal family the same freedom of information that is demanded of all the rest of us?

5.47 pm

Stephen Williams (Bristol West) (LD): I will be brief because I think a couple of other Members want to speak. As the Chancellor said earlier, today we are essentially altering arrangements that were first made at the time of the accession of George III in 1760. The most famous Member of Parliament for the old city of Bristol seat was Edmund Burke, and he coined the term "the fourth estate"—our dear friends, and indeed some enemies, in the press. Of course, they have had the wind of change blowing through them over the past hours and weeks. The second and third estates, of course, are ourselves in the Lords and Commons, and we have also experienced change, with more change to come. The first estate is the Crown itself, which is now receiving change. It is right that it should do so.

In particular, it is right that the Crown should be more open and transparent about its finances. I was delighted that the Chancellor confirmed that Buckingham palace itself would be open on more days of the year so that members of the public can see inside, whether they are going to garden parties or are paying visitors, who currently go in August. If they see the finest horses and the finest coaches, they can also see probably the finest art collection on the planet.

I agree with the sentiment expressed by several of my hon. Friends that we do not want to see a bicycling monarchy, but we do need a monarchy that is accessible and transparent to the public. That would also make it more enduring.

5.48 pm

Mr Dennis Skinner (Bolsover) (Lab): First, I want to apologise for not being here in the earlier part of the day. I was at the hospital all day having some nuclear medicine, they called it. It is a new-fangled thing, and I would warn anybody, if you have got a chance to avoid it, avoid it. They stick a drug in you, and you feel like you are dying. What they are trying to do is put your heart under so much pressure that they can see whether you can stand the anaesthetic for a hip replacement in the near future. That is where I have been, and I missed all these wonderful contributions on the Queen's new allowance—her winter heating allowance, or whatever it is.

I remember well, way back in 1971, being joined by a lot of people in the House who were on the left wing at the time in voting against the Queen's money. Quite a number of them are now in the House of Lords—*[Laughter.]* [Hon. Members: "Name them!] I can't name all of them because I ain't got time. They are all there. I remember that occasion very well because they were dining and wining on the fact that they had just voted against the Queen's money, or the royal money.

I am here today—I just managed to get back in time for Third Reading. My view about the monarchy has been pretty much the same all my life. I remember in the pit village of Clay Cross, when I was a bit of kid during the second world war—or maybe just a bit before—kids on the street saying that the royal family had blue blood, but I just could not buy that. My inquiring mind prevented me from being like the rest of the lads on the street.

There is no doubt about it: the royal family were very popular in those days, notwithstanding King George VI not being able to speak properly on the radio. I heard all that, but notwithstanding, they were popular then, but there have been phases since when their popularity has waned, especially when Murdoch was the toast of the

[Mr Dennis Skinner]

town—which he now ain't. We have been slagging off Murdoch all week and telling him to sling his hook back to America and all the rest of it, but his papers had an influence. I am sure that there were times when Murdoch newspapers made a reasonable contribution to the talk about the dysfunctional royal family and all the rest of it, but I also believe that Charles himself made a contribution, because quite frankly, he is not liked. Those hon. Members who are royalists know in their hearts that they do not really want to see him be the king. When I take people from the women's institute round the House of Commons and the House of Lords and show them the throne, they say, "Who sits in that other seat? I say, "Well, perhaps it's Charles, but eventually, he's gonna sit in the big seat." They say, "Who will be in the other one?" and I say, "Camilla," and they say, "No! We don't want her!"

Mr Deputy Speaker (Mr Nigel Evans): Order. I am speaking now from this big seat. It would be very good, first, if the hon. Gentleman could at least refer to the royal family in a dignified manner, as has happened almost throughout the debate, and secondly, if we could get back to Third Reading. I know that for unavoidable reasons, the hon. Gentleman was unable to be here earlier, but I am sure he knows what the Bill says. Could he get back to it?

Mr Skinner: I know that the Bill is all about £35 million in the time of a recession. The truth is that people out there, notwithstanding what anybody else tells them and irrespective of this debate, will be saying, "Here we are. We've got a pay freeze, inflation's going through the roof and energy prices are going up. Because of welfare reform, they're cutting disability allowance. Three thousand blind and disabled people have marched through London for their money, and yet, on one given day, they are able to find the money for the royal family."

So, to go back chronologically to my story about the royal family, I was a bit of a kid, but then I got elected to Clay Cross council. I do not know what happened, but when I became chairman of the council, I got a big package, which turned out to be an invite to the royal garden party. I looked at it, and found they had included a little diagonal cross to put in the car—of course, I hadn't a car, a bank account or a telephone. I said to a mate of mine, "You'd never believe the bumf that they've sent—all these different things for the royal garden party." He said, "What did you do with it?" and I said, "I chucked it in t'dustbin." I said, "There were even a thing to put in your car." He says, "What colour were it?"—*[Interruption.]* No! He was asking what colour the pass was, not the car. He had seen one before, because he had been to the races to Cheltenham and Ascot and seen it. He says, "Get that pass!" I said, "Well, it's in the dustbin," and he says, "We've not emptied Wheatcroft close yet." So I got the pass out. I saw him after he had retired, and I said, "Ay up, Joe, did you ever use that pass?" "Use it?" he says, "It's here in t'glove compartment. I've used it every year. I go straight into Royal Ascot, not just the royal enclosure."

Mr Deputy Speaker: Order. I let the hon. Gentleman finish the story because I wanted to hear the end, but it still has nothing to do with the Bill. May we please get back to the Bill?

Mr Skinner: I am trying to explain that there are people out there who do not give a hoot about the royal family. The truth is that my old mate Joe, who has now passed on, wanted the pass, and that is how he felt about it. He wanted to be in the royal enclosure, unlike me. Obviously I did not go to the garden party—I have never been to one, although they tell me that Willie Hamilton did. I don't know about that. I'll tell you one thing though. Despite all the security, they are still using the same car passes now. So we have had the IRA, Islamic fundamentalism, 9/11, bombs on the underground and buses, and they are still using the same passes on the Mall—so they tell me.

Anyway, to get back to the Bill—[Hon. Members: "Yeah!"] I know they didn't really like those stories anyway and we have only got a couple of minutes left. What I wanted to say is that I have always taken the view that the royal family cannot be regal and common at the same time. I thought when television came in they wanted to appear regal on the one hand but also to be like "Coronation Street" people on the other. So they got on the telly and they were playing those games and all the rest of it. I think that the Queen was badly advised. She should have kept control of them. If I had been on the advisers list, I would have told her that. But I wasn't. I know that Charles wanted to meet me one day, and that Nicholas—well, whatever seat he stands for, he sits over there—who was a friend of Charles, said to me, "Charles wants to speak to you". I said, "Why?" He said, "He thinks you're very interesting." I said, "Why, has he stopped talking to plants?" *[Interruption.]* It's a friendly remark!

Anyway, I believe that at that time support waned quite remarkably. I think it is a bit higher now, but I still believe it is not the 90-odd per cent. that some people imagine it. It is more like 60:40. I do not accept either that the Queen does not have powers. I was here in 1974, during the strike and the "miners' election", when Heath said, "You either vote for me or you vote for the miners." The truth is that Labour won a marginal victory. We had a tiny number of seats more than the Tories.

Mr Deputy Speaker: Order. This is going to come as a great disappointment to you, Mr Skinner, but you cannot talk this Bill out because at 6 o'clock, I am going to put the question. If you could now refer specifically to the Bill, we would be grateful.

Mr Skinner: I know I have talked out several Bills in the past, but I did it by moving a debate on the writ for the Brecon and Radnor by-election and the Richmond by-election and all the rest of it. But now you have stopped me doing it, Mr Deputy Speaker. What I have to say is that here we are at a time of welfare reform, inflation and all the rest of it, and suddenly, in one day, the House of Commons changes its whole attitude and says, "We've got enough money. The royal family need more to live on." And what does it do? It votes for it. Well, if I can find another teller, I'll be voting against. Thank you very much.

5.59 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I am not sure whether I have more trepidation when I follow the hon. Member for North East Somerset (Jacob

Rees-Mogg) or when I follow my hon. Friend the Member for Bolsover (Mr Skinner). It is slightly ironic that we are having this debate in one of the royal palaces, and perhaps we should recognise the contribution that the royal household makes to the upkeep of some of the rather expensive parts of this building. It is probably worth reflecting on some of the more turbulent debates that the House has had with the royal family about their financing over the centuries—

6 pm

Debate interrupted (Order, this day).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Order, this day), That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DRAFT FINANCIAL SERVICES BILL (JOINT COMMITTEE)

Motion made,

That this House concurs with the Lords Message of 21 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That a Select Committee of six Members be appointed to join with the Committee appointed by the Lords to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That the Committee should report on the draft Bill by 1 December 2011.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Nicholas Brown, Mr David Laws, Mr Peter Lilley, David Mowat, Mr George Mudie and Mr David Ruffley be members of the Committee.—*(James Duddridge.)*

Hon. Members: Object.

SITTINGS OF THE HOUSE (19 JULY) (NO. 2)

Ordered,

That, on Tuesday 19 July, the House shall meet at 11.30 am and references to specific times in the Standing Orders of this House shall apply as if that day were a Wednesday.—*(James Duddridge.)*

BUSINESS OF THE HOUSE (18 JULY)

Ordered,

That, at the sitting on Monday 18 July, the Speaker shall put the Questions necessary to dispose of the proceedings on the Motions in the name of the Prime Minister relating to the appointment and pay of the Parliamentary Commissioner for Administration and Health Service Commissioner for England not later than one hour after their commencement; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(James Duddridge.)*

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LAND REGISTRATION

That the draft Land Registration (Network Access) (Amendment) Rules 2011, which were laid before this House on 7 June, be approved.—*(James Duddridge.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

DRAFT EU BUDGET

That this House takes note of European Union Documents No. 11779/11 and No. 11775/11 relating to the preparation of the EU Budget, and an unnumbered explanatory memorandum dated 27 May 2011 from HM Treasury on the Statement of Estimates of the Commission for 2012 (preparation of the 2012 Draft Budget); recalls the agreement at the October 2010 European Council that it is essential that the European Union budget and the forthcoming Multi-annual Financial Framework reflect the consolidation efforts being made by Member States to bring deficit and debt onto a more sustainable path; notes that in spite of this agreement the Commission's proposal has come at a time of particular austerity in domestic budgets across the EU; agrees that the 4.9 per cent increase in payment appropriations proposed for 2012 by the Commission is therefore unacceptable; notes that UK contributions to the EU budget have also risen in recent years due to the 2005 decision to give away parts of the UK rebate; supports the Government's objective to deliver the terms of the language secured by the Prime Minister's December letter that the growth of European public spending must be consistent with the considerable efforts made by the Member States to bring their public spending under control and that action to curb budget growth in 2011 should be progressively stepped up in 2012; and so supports the Government in seeking significant savings to the Commission's proposals across all headings and its strenuous efforts to limit the growth of payments to below inflation.—*(James Duddridge.)*

Question agreed to.

PRIVACY AND INJUNCTIONS (JOINT COMMITTEE)

Resolved,

That this House concurs with the Lords Message of 27 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider privacy and injunctions, including:

(1) how the statutory and common law on privacy and the use of anonymity injunctions and super-injunctions has operated in practice;

(2) how best to strike the balance between privacy and freedom of expression, in particular how best to determine whether there is a public interest in material concerning people's private and family life;

(3) issues relating to the enforcement of anonymity injunctions and superinjunctions, including the internet, cross-border jurisdiction within the United Kingdom, parliamentary privilege and the rule of law; and

(4) issues relating to media regulation in this context, including the role of the Press Complaints Commission and the Office of Communications (OFCOM);

That the Committee should report by 29 February 2012;

That a Select Committee of thirteen Members be appointed to join with the Committee appointed by the Lords;

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom;

That Mr Ben Bradshaw, Mr Robert Buckland, Philip Davies, George Eustice, Paul Farrelly, Martin Horwood, Eric Joyce, Mr Elfyn Llwyd, Penny Mordaunt, Yasmin Qureshi, Ms Gisela Stuart, Mr John Whittingdale and Nadhim Zahawi be members of the Committee.—*(James Duddridge.)*

PETITION

High Speed Rail

6.2 pm

Andrea Leadsom (South Northamptonshire) (Con): I wish to present a petition.

The Petition of residents of South Northamptonshire and others,

Declares that the Petitioners are strongly opposed to the proposed High Speed Railway; declares that the Petitioners believe it to be a massive waste of money; declares that it will destroy miles of beautiful countryside, thousands of homes and villages; and further declares that there is no business case or environmental case for this railway and upgrading existing rail networks is a better alternative.

The Petitioners therefore request that the House of Commons urges the Government to reconsider its support for the proposed High Speed Railway and support the upgrading of existing rail networks.

And the Petitioners remain, etc.

[P000944]

Early Intervention

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

6.3 pm

Mr Graham Allen (Nottingham North) (Lab): Early intervention not only requires no new net public expenditure, it is also the biggest deficit reduction programme that we have. If we implement it properly, it will produce results beyond the Chancellor's wildest dreams. We need to change our default public expenditure culture, which is one of late intervention, to one of early intervention. Late intervention is expensive and not very effective. Early intervention, by contrast, is inexpensive and highly effective.

I shall give the House an example. Delivering the intensive health visiting service of the family nurse partnership to 115 teen mums and their babies in my constituency costs about the same as putting three 16-year-olds in a secure unit for a year—an average of two of whom, incidentally, will reoffend. Family nurse partnership services delivered in the first years of life can reduce the number of arrests at the age of 15 by 80%. So dealing with several hundred individuals and doing so effectively costs roughly the same amount as failing to deal effectively with three young people, 16-year-olds, later on in life.

Andrea Leadsom (South Northamptonshire) (Con): The hon. Gentleman and I are in huge agreement on this subject. Does he agree that more than 80% of long-term prison inmates suffer from problems that stem back to early infant attachment?

Mr Allen: Indeed, and the costs are absolutely enormous and continuing. They continue through the generations, whereas one effective early intervention costs only for the one occasion, does not need to be repeated and proves to be very effective.

I make many recommendations in my recent report for Her Majesty's Government, "Early intervention: Smart Investment, Massive Savings". The ones I would particularly like to talk about tonight involve the Treasury. I ask the Minister for her first thoughts on these recommendations. I am very grateful for the assistance I received from the Chancellor, the whole Treasury team and, indeed, Treasury officials—and, above all, from the Minister herself. She helped me in various ways—although the faults in the report are entirely my own—to make the second report a practical and pragmatic programme of work rather than a flight of fancy.

There are no magic bullets. This is all about a practical, long-running and consistent effort to try to bring social and emotional capability to our babies, children and young people, which will repay us over and over again throughout the life cycle, as we avoid the costs associated with drink and drug abuse, teenage pregnancy, a lifetime on welfare benefits, educational underachievement, and so on and so forth. That benefit can come from just a little bit of early investment.

The key relevant recommendations to the Treasury concern the comprehensive spending review; rebalancing central Government spending from late to early intervention; a Whitehall task and finish group, which I shall talk about; a serious proposal for departmental

payments, introducing a payment-by-results system effectively across Whitehall; liberating our local authorities so that they can be our partners in pursuing early intervention policies; and using the 2012 Budget to incentivise early intervention investment. I propose to look at each of those in turn.

First, I have suggested that the Treasury consider theming the next CSR around early intervention. The usual cross-departmental effort that goes in ahead of every CSR should be directed at early intervention across all Departments. That includes the research programme and the evaluation, which should be used to assess what is being spent on early intervention by Departments, thus providing a baseline from which we can judge the costs, benefits and potential savings to taxpayers from early intervention policies and programmes.

This CSR preparation should also include commissioning long-range surveys, studies and longitudinal programmes so that we can add daily to the evidence base for early intervention and its role in saving massive amounts of taxpayers' money from being captured by the long-term costs of failure. Above all, doing this in the CSR will symbolise the Government's approach and the switch in philosophy to give strong signals to Departments throughout Whitehall and indeed in local areas. We will thus be demonstrating that we are moving from talking the talk to walking the walk.

I want to put on the record that it is evident from the discussions I have had with all parties and with all party leaders, including the Prime Minister, that there is a very strong desire to move—incrementally, admittedly—across this divide between our typical, traditional late intervention policies and early intervention. This is not just to save money; it will also help to make good many of the social failures that arise because we do not tackle problems early enough and let them get rooted before we start to invest money in them—often too little, too late.

The second issue is the rebalancing of funding in Departments. It is easy to demand big switches of financing from one place to another, but that is a pipe dream that we did not entertain in the report. What we did consider was the fact that we have spent billions of pounds, decade after decade, often with only marginal impacts on, in particular, the social and emotional capabilities of babies, children and young people, especially those in poorer areas and constituencies such as mine. We discussed how we might push back the spending and personnel juggernaut of late intervention, and start to invest, gently and incrementally, in early intervention.

A great deal of evidence was given to my inquiry. One of our proposals is a gentle shift—within departmental budgets, and involving no extra money—from late to early intervention. Following discussions with Departments, I propose—modestly, I hope—not a top-slicing of budgets to a pooled early intervention fund run by one Department or another, but a slow, incremental migration of funding, within existing budgets, from late to early intervention. I proposed that it should amount to just 1% a year, which is incredibly modest. It would be possible to move such spending slowly and relatively easily, and no additional spending by Departments would be required.

In education, for instance, an obvious way of using an existing function, organisation or budget head would be through the early intervention grant itself, which currently amounts to £2.2 billion. That would be a good home for the start of a transition from late to early intervention. Similarly, £55 billion is spent on children and children's services in the United Kingdom. A minor adjustment, in percentage terms, made incrementally on an annual basis could begin to shift us from the costs of failure to investment in the success of our babies, children and young people.

The Department of Health, the Home Department and the Ministry of Justice already have machinery for such an incremental change. They run prevention programmes of various sorts, all of which could be steadily and progressively geared up. Such a reorientation of internal spending could also provide some of the resources needed to pay investors for the outcome-based contracts to which I referred in my report, and about which I shall say more later. It could be described as payment by results.

I also propose the establishment of a task and finish group. This may sound an internal, dry subject, but in preparing my report I discovered that although tremendous work is going on throughout Whitehall in different Departments, it is not always joined up; it does not always connect. People do not always know what the next Department is doing, for one reason or another. That is not a criticism of anyone working in those Departments or on those programmes—on the contrary, I was very impressed by the way in which all Departments set about their work—but it is a criticism of the fact that no Governments have co-ordinated such action to the level that I would like to see, a level that would add value if people all worked together.

I have suggested that the existing Cabinet Social Justice Committee should be given more teeth, and that it should have a task and finish group—perhaps with an independent chair, but that is a matter for Government to decide—which could offer an independent eye, and promote Government change via the Committee. Through consistency, long-termism and progress-chasing, it could achieve, through Whitehall, some of the important objectives and milestones that the Government may choose to set in the early intervention strategy that I proposed in my report.

Such a group should, as a matter of course, report to all party leaders to maintain what I hope is the helpful benchmark that has been set of establishing this as a non-party issue. I am delighted to pay tribute to those Members of all parties who have taken this issue so seriously, and the fact that the three main party leaders have kindly said good things about both the first and second reports underlines my belief that this is a non-party issue. Indeed, they have supplied quotes, expressing embarrassingly kind sentiments about the philosophy of early intervention, for the back page of each of the reports. What we now need to do is make a practical proposition, and I hope we can put into effect my recommendation of establishing an effective task and finish group.

Another Treasury-oriented recommendation is our proposal about the Treasury, Departments and local areas introducing a proper payments-by-results system, so that benefits can accrue to central and local government for investing in the right package of policies and getting external investors interested in this field. Central Government need to play a role in co-commissioning, or co-paying for, the outcomes set by local areas. Her Majesty's Treasury and other Departments would therefore

[Mr Allen]

need to work at putting in place methods of accounting to ensure that future payments based on successful local outcomes are honoured. It is obviously a matter of great concern that local authorities feel, rightly or wrongly, that if they are successful they will be penalised by the withdrawal of other grants or financial assistance. When drawing up the contracts and talking to local authorities about this issue, we need to make it clear that their payments will be honoured when they reach the endgame of the payment-by-results exercise.

In my report I have outlined a number of areas where local authorities have an important role to play. I do not have time to go into them now, but one that would bear examination is the possibility of looking again at issuing a capitalisation directive to councils that will perhaps allow up to £500 million of early intervention spending to be capitalised, provided that it is funded through the local bond market. If one accepts, as the Government and the main political parties now seem to, that early intervention represents an essential investment in human capital for future generations, there is a strong case for allowing local authorities to finance that by using money in the same way as they would to finance a bridge or a building.

The final recommendation that the Treasury may want to think about now that my report is in the public domain is to do with the 2012 Budget and whether the Treasury can assess properly the possibilities of incentivising early intervention investment. It was clear from my review that tax incentives would be a popular and effective way of incentivising early intervention and social investment more generally. The possibility of creating a market in social investment and social finance is a prize indeed, and if we manage to create a social finance market within, perhaps, 10 years, that will be a measure of our success.

Of course everyone would like to have an incentive. I did not see it as my role to provide a set of demands to which Government had to say yes or no. However, I would like there to be a serious exercise before the Budget, so that the Government examine all possible ways of sucking into early intervention investment philanthropic, ethical business and retail investors and wholesale investors. That would be extremely helpful. I will say no more than let us learn from the creativity in other countries, such as tax credits in the Netherlands and Australia, and money to contribute to social impact bond payments in the USA. The US President has introduced rule changes so that money can be committed over longer periods than is commonplace in public contracts.

In conclusion, the Treasury often says, rightly, that having less money can drive us all to be more creative and to challenge the old ways and the old rules. One of the threads in the report is that this should apply equally to Government thinking, and to Treasury thinking in particular. Money is scarce, so ideas on how better to spend existing public funds should be encouraged and new sources of funding should be incentivised. Due diligence, which is commonplace in the private sector, should now be used at all levels of government to question the comparative costs of wasteful, late intervention versus early intervention alternatives. Levels of savings to be achieved should be an integral part of all public investment calculations. Short-term cuts that jeopardise massive long-term returns should, of course, be avoided. Rules and methods of working established in a different era, in a different public expenditure environment, need to be reviewed.

If we can do that, and if our friends in the Treasury can take some of these proposals seriously—as I know they would, as they made a strong contribution to my review—we will be on the verge of changing the spending culture in our country, moving from wasteful, expensive spending when problems are deep-seated to pre-emptive and preventive spending to help babies, children and young people develop the social and emotional capability that will see them realising their potential in the same way as we want to see our children realising theirs. This is an important field. In many ways, it is a slow burner, not one that heralds dramatic change. This is a field in which there must be a serious commitment to change public policy on behalf of all parties. If we do that, not only will the benefits to those children be immense, but the repayments to the taxpayer will be massive.

6.22 pm

The Economic Secretary to the Treasury (Justine Greening): There are a number of Adjournment debates that I might have a chance to respond to as a Treasury Minister, but of all of them, this is probably the one in which I would be most keen to participate. The hon. Member for Nottingham North (Mr Allen) has done a great deal of work in an area that for many years was debated on moral grounds—"What's the right thing to do?" That was absolutely right, but his contribution has been to say why it is in everybody's interest to address these issues and, in particular, to focus on early intervention. That work will have longevity in this place and beyond. Indeed, I think that I speak for Members across the House when I pay tribute to the work that he has done, not just in contributing to this Government's policy, but in the years prior to that.

The hon. Gentleman talked about some of the recommendations in the recent, second—and final—report on his review of early intervention. As he knows, we are still looking at those recommendations. I shall not pre-empt the conclusion, but I want to emphasise one thing. He said that he hoped that Ministers would take those recommendations seriously, and I can absolutely assure him that we do. In the time left, I shall try to respond to as many of his points as possible, but I have no doubt that in the weeks, months and perhaps even years to come, we will continue to debate these issues both inside this Chamber and outside it.

I agree that the case for investment in preventive services is clear. As the hon. Gentleman set out in his speech and in his review of early intervention, there is a clear argument. That argument shows that the more that we can do in government and the more that those working with children can do to intervene earlier, the more likely children are both to reach their full potential, as he said, and to develop well both socially and emotionally. Not only are the costs of not doing so significant for them as developing people, but there are financial costs for the rest of society, as he pointed out, including in local communities. So the costs of not tackling these issues are significant and they do contribute to an ongoing negative cycle.

The hon. Gentleman discussed just some of the examples in this area. Let us consider that of children on the edge of care. A three-year study of multi-systemic therapy at the Brandon centre in Camden, which he is probably aware of, has shown that cost savings ranged between £1,200 and £8,900 per family intervention, in addition to there being a reduced risk of offending and family conflict. Data from 10 of those multi-systemic therapy pilots for children on the edge of care or custody indicate that, by the end of the intervention, custody or care was avoided for 90% of children who had been at risk of those outcomes. Of course, children who avoid care are more likely to succeed academically, and are therefore more likely to earn more and lead more fulfilling lives. That is just one example of how powerful early intervention approaches can be.

I want to discuss public spending, because the hon. Gentleman talked about the next spending review being based on the theme of early intervention and said that, in preparation for this, the balance of central Government spending should be shifted by 1% per year from late to early intervention. One of the things that I want to say to him is that in the year and a bit that I have spent as a Treasury Minister I have found that the key to this is something that may seem boring but actually becomes incredibly important. He talked about the need for an evidence base, and I think that he has created that with the work that he has done, as has some of the work carried out in other countries. One of the challenges for the Government is to ensure that we have a good internal evidence base on where our money is being spent.

The hon. Gentleman will be aware of the children and families taskforce that was set up by the Prime Minister, which informed some of our spending review. One of the exercises involved looking at where the portfolio mix of spend currently is, for example, on early years provision. That was not perhaps as easy a task for us as it ought to have been. One of the key things that the Treasury is now doing is progressing what seemed like mundane "accountantesque" projects, such as putting in place a chart of accounts and upgrading the Combined Online Information System—COINS—database so that it is actually one that we can use to analyse data. The "themes" that the hon. Gentleman describes are part of a broader challenge the Government face in understanding where the money is going; we need to understand our normal items of spend and the aim of them. That will give us a chance better to join up the oversight across spending as it happens in different Departments.

I talked about the Prime Minister's children and families taskforce and in the 2010 spending review we did allocate significant resources to support early intervention. The hon. Gentleman talked about the value of the family nurse partnership programme. We are recruiting 4,200 health visitors and expanding that programme. Of course we have also established the early intervention grant. In doing so, we intend to signal the importance of this agenda that we all care about so much. We have committed to maintain a network of Sure Start children's centres and, as he knows, to expand the free early education entitlement to disadvantaged two-year-olds. We are also putting in place other measures such as the fairness premium. I hope that we will be able, perhaps in a more sophisticated way, to understand where Government spending is going in relation to early intervention and some of the complex aspects of early intervention. I hope that the projects that we now have running across government should give us a much better chance of doing that as we approach the next spending review. As the hon. Gentleman proposes, we will continue to push on that within the Treasury and across government to make sure that we do understand the costs and benefits of different policies and programmes, both individually and collectively.

One thing that he referred to less in his speech, but which is important, is coming out of the work on early years and that is the need to continue investment. Once initial investments are made, they should be followed up with the individual.

I know that I am going to run out of time, but I want to mention community budgeting and the need to consider budgets from the perspective of the individual who receives the services rather than constantly considering them in silos. We want to address that.

The hon. Gentleman talked briefly about tax measures and he is right to flag up that we should not lose sight of the fact that much of the early intervention agenda has involved money transfers. For us, one challenge is considering how that money is invested, whether we have alternatives and how some of the services and programmes he talks about stack up in terms of value for money for the public and those who receive them when set against some of the more traditional methods we have used, such as income transfers between families, the Government and individuals.

The agenda is very exciting and I know that the Government will have the chance to respond to the hon. Gentleman's second report. I look forward to taking forward some of his suggestions and developing them.

Mr Allen: Does the hon. Lady realise that she might have three more minutes and that the debate does not need to stop at 6.30pm? I know she has further notes prepared.

Justine Greening: I did not realise that. I am delighted because it means I will be able to get through a few more of the comments I wanted to make.

As I mentioned briefly, the agenda is not just about money but about the quality of public services delivered on the ground. The hon. Gentleman talked about joined-up government and we must focus more on that. Community budgeting will help as will stopping ring-fencing at local authority level, but there are broader challenges in how we knit together national and local government policy at that local level. The work he is doing could feed into some of those thoughts.

Just the other week, on 11 July, we published our "Open Public Services" White Paper, which set out the Government's vision for excellent services. The principles that we have set out of choice, decentralisation, diversity, fair access and accountability will start to open up local authorities' ability to deliver services more innovatively. The contribution to this agenda made by the charities and organisations we all come across—perhaps the hon. Gentleman more than other Members—will be better able to be made with a more open approach to public service delivery than we have perhaps had in the past.

[Justine Greening]

I also want to talk briefly about a couple of other aspects. The hon. Gentleman talked about the independent foundation he wants to set up and we very much welcome that as it can play an important role in this whole process. He also mentioned the use of innovative financing mechanisms and he was absolutely right. Again, that is one of those boring but important aspects of the agenda. We need to unlock Government financing so that it does not hinder the right projects. He also mentioned payment by results, which is one thing on which we are keen to push ahead across government.

I can see that I have now run out of time—

6.33 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 18 July 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Employment Law

1. **Julian Smith** (Skipton and Ripon) (Con): What contribution his Department has made to the cross-government review of employment law. [66529]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): As part of the cross-government review of employment-related law we have implemented a number of easements for employers' automatic enrolment following independent review, which will save small employers about £90 million a year, including increasing the earnings level at which automatic enrolment applies, introducing a simpler way for employers to check their existing pension schemes meet the required standards and introducing an optional waiting period of up to three months.

Julian Smith: The Secretary of State's Department is responsible for a huge amount of employment law. May I urge him to work closely with the Department for Business, Innovation and Skills on its review to ensure that the Government make a cross-departmental effort to free small businesses up to take on staff?

Mr Duncan Smith: My hon. Friend definitely may. We are working closely with BIS in all it tries to do and my Department is doing quite a lot to help small employers. We listened carefully on auto-enrolment, we made a change to give a little more time and that helped small businesses enormously.

Defined-benefit Pension Schemes

2. **Richard Graham** (Gloucester) (Con): What steps he is taking to address incentivised transfers out of defined-benefit pension schemes. [66530]

The Minister of State, Department for Work and Pensions (Steve Webb): We recognise that employers need some flexibility to manage their scheme liabilities and that well-managed transfer exercises can be a useful tool, but we are concerned about scheme members being offered cash inducements to encourage them to take a transfer that might not be in their best interests. We have discussed the issue with a number of industry groups and we are actively looking to see what action needs to be taken to combat any bad practice.

Richard Graham: As the Minister knows, I support him on the principle that enhanced transfers do not necessarily advantage many members of pension schemes. What does he think about the other side of the equation, however? In my constituency of Gloucester, we have at least a dozen very successful family-owned manufacturing firms whose ability to grow is impeded by the residual liabilities of their closed DB schemes. How does the Minister think we can balance our responsibilities to members of the scheme with the desire to help such companies grow?

Steve Webb: I enjoyed my visit to my hon. Friend's constituency, when we discussed pension issues with local employers. The important consideration is fairness, as he says. We have no problem with people transferring out of such schemes in a fair exchange, but because these are complex and difficult financial transactions we must ensure that people have the proper advice and information on which to make such choices.

Kelvin Hopkins (Luton North) (Lab): The reality is that most occupational schemes are disappearing, private pension schemes are often not good value and are subject to stock-market vagaries, and millions of people will not be in any kind of pension scheme in the future. Is not the real long-term solution a compulsory state earnings-related pension scheme for everyone?

Steve Webb: We believe that both the state and the private sector have an important part to play. We have published Green Paper proposals for state pension reform that would provide a firmer foundation, perhaps of the sort that the hon. Gentleman has in mind. We also believe that many people could be in decent-quality workplace provision with an employer contribution and that is why we will begin auto-enrolment as planned next year.

Work Programme

3. **Karl McCartney** (Lincoln) (Con): What recent progress he has made on delivering the Work programme. [66531]

5. **Jeremy Lefroy** (Stafford) (Con): What recent progress he has made on delivering the Work programme. [66533]

The Minister of State, Department for Work and Pensions (Chris Grayling): The Department for Work and Pensions completed the launch of the Work programme by the end of June and it is now operational in all parts of the country. I have now visited a number of the providers and their centres and I am pleased to see the progress they are making.

Karl McCartney: I welcome the Government's measures to help unemployed people in my Lincoln constituency, but what assurances can my right hon. Friend give me that the Work programme will provide my constituents with sustainable, meaningful and long-term employment?

Chris Grayling: There are two things about the Work programme that will help my hon. Friend and his constituents. First, the providers are free to deliver whatever solution works for the individuals—a crucial difference to past programmes—and, secondly, they are rewarded not simply for getting people into work but for sustaining them in work for periods that can be as long as two years and three months. I hope that will deal with the challenges in the labour market in my hon. Friend's constituency.

Jeremy Lefroy: On Friday, we welcomed the Minister to the Stafford jobs fair and the Shaw Trust in the Stafford constituency. How extensive is the role he foresees for the voluntary sector in providing the Work programme?

Chris Grayling: The voluntary sector has a crucial role to play in two ways. First, we have a wide range of voluntary sector organisations contractually involved in the Work programme, delivering support to the long-term unemployed. I also believe that a local community activity such as the excellent jobs fair that my hon. Friend organised in his constituency, together with Stafford Works, is an ideal example of how Work programme providers and the local community can work together to deliver real back-to-work support for the unemployed.

Dame Anne Begg (Aberdeen South) (Lab): Early indications would suggest that the numbers being referred to the Work programme are much higher than many of the providers expected under the contracts they signed. What guarantee does the Minister have that people will not sit on the Work programme without any intervention for some time until the providers gear up to have the staff to deal with the numbers they face?

Chris Grayling: The hon. Lady is absolutely right. It is a marked contrast to the start of the flexible new deal under the previous Government when providers went for weeks and weeks without people being referred. I am very encouraged by the start of the Work programme and by the response of providers, which are contractually obliged to provide minimum levels of support to people who are referred. As far as I can see, that is precisely what is happening: support is starting and is working well. There are courses, support and learning taking place up and down the country.

Mr Frank Field (Birkenhead) (Lab): Should we hold out much hope for the Government's Work programme if the Government are not successful in meeting their immigration target?

Chris Grayling: The right hon. Gentleman has raised the issue of migrant labour on many occasions. It is a challenge for Work programme providers to make sure they can deliver a work-ready work force to potential employers in areas such as his constituency to take advantage of the excellent opportunities that exist in companies such as the Contact Company, for example, which I visited recently. I strongly believe that if providers get local workers ready for the work force, they will be taken up eagerly by local employers.

Robert Halfon (Harlow) (Con): Does my right hon. Friend agree that one of the best ways of getting people back into work is through apprenticeships? Will he ensure that the Work programme is linked carefully into the Government's apprenticeships scheme?

Chris Grayling: I absolutely agree. One of the most important steps the Government have taken has been significantly to increase the number of apprenticeships available, particularly for young people. It is absolutely clear under the Work programme agreement that a successful placement in an apprenticeship counts as a job outcome under the Work programme. I hope that will mean there is a clear link between the two.

Barbara Keeley (Worsley and Eccles South) (Lab): Steve Kerr of the London Voluntary Service Council has questioned whether the Work programme

"will succeed...or simply make matters worse through sidelining the voluntary sector."

What action is the Minister taking so that the voluntary sector does not continue to feel sidelined through the Work programme?

Chris Grayling: The hon. Lady is absolutely wrong. The voluntary sector is not being sidelined. On Friday in Stafford I visited the Shaw Trust—a major voluntary sector organisation that is already delivering support to people under the Work programme. There are many other organisations such as Groundwork delivering support right across the spectrum and there is specialist help available from some of the specialist groups. The Work programme has been designed to attract best practice, of which there is much in the voluntary sector. That is why it is such an important part of the Work programme.

Employment (Disabled People)

6. **Stuart Andrew** (Pudsey) (Con): What recent steps he has taken to increase employment opportunities for disabled people. [66534]

14. **Mark Lancaster** (Milton Keynes North) (Con): What recent steps he has taken to increase employment opportunities for disabled people. [66543]

15. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What recent steps he has taken to increase employment opportunities for disabled people. [66544]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government are absolutely committed to ensuring that disabled people have the same opportunities as everybody else to reach their potential in work. The Work programme, Jobcentre Plus, Work Choice and Access to Work provide a range of support to do that. I announced on Monday 11 July the Government's response to Liz Sayce's review of specialist disability employment programmes. We have a consultation running until 17 October and I urge everybody to participate in it.

Stuart Andrew: I am grateful to my hon. Friend for that answer. Will she confirm that the budget for specialist disability employment is being protected and that it will be spent more wisely than it was in the past?

Maria Miller: I thank my hon. Friend for that very good question and I can confirm to him absolutely that the budget is being protected. I also urge him to look at Liz Sayce's report, which suggests that perhaps 35,000 additional disabled people could be supported into work from the same budget. That is something we would like to consult on and look at some more.

Mark Lancaster: I am sure that the Minister will join me in commending the work of the Spinal Injuries Association in Milton Keynes. Indeed, she might like to visit it the next time she is passing by, as a visit there would show that many of its employees are disabled. It gives a clear example of how tailored work programmes are the best way of getting disabled people back into work. Is that an approach that the Government will pursue?

Maria Miller: I thank my hon. Friend for drawing my attention to such good work in his constituency. I shall certainly consider trying to visit if I am able to. He is absolutely right that we should focus on the individual rather than on the institution—that is a common theme coming out of the Sayce review.

Eric Ollerenshaw: May I ask the Minister something that the disabled in my constituency ask me? Once the disabled have got jobs, what support and advice will there be for employers so that they can maintain the disabled in those jobs?

Maria Miller: We already have in place Access to Work, which provides just the sort of support that my hon. Friend is talking about, but all too often that support is, perhaps, focused on the job rather than on the individual. One of the reforms that the Sayce review is talking about is how we can make sure that Access to Work is focused on the individual and not just on particular jobs. In some instances, however, employers are involved in co-funding, so this issue needs to be looked at with care. We are looking at it in our consultation.

Paul Goggins (Wythenshawe and Sale East) (Lab): On Thursday I will be visiting the Remploy factory in my constituency and meeting some of the 20 staff who work there. Over the past year they have invested in new equipment and through hard work have won new business. What does the Minister suggest I say to them?

Maria Miller: It is excellent that the right hon. Gentleman is visiting his factory and showing staff support, as he clearly is. As he knows, we are consulting, through the Sayce review, about the future of Remploy. We want to make sure that Remploy factories are successful in the future. At present every single one is loss-making, and half the employees in Remploy across the board—I am not sure of the position in his constituency—do not have work to do. That is not an acceptable situation. We need to look for ways of remedying a situation that we inherited and through the Sayce consultation we hope to do that.

Ann Clwyd (Cynon Valley) (Lab): Is it not unfortunate that the future of Remploy is once again in the melting pot? May I remind the Minister—we had a conversation about this—that in 2008, the last time people went through voluntary redundancy in Remploy, only a quarter of those made redundant got new jobs? In my own Remploy factory in Aberdare, only one person is at work. Surely it is better to keep disabled people in work, doing jobs that they have done satisfactorily for a long time?

Maria Miller: We have indeed had some important conversations about the matter. It is not for me to answer for the record of the previous Government, although I point out to the right hon. Lady that 40% of disabled people who left through the 2008 redundancy scheme retired. The figures that she quotes need to reflect that. I can assure her that we will do everything we can to make sure that people affected by any changes in the future are given the support that they need.

Mr Nigel Dodds (Belfast North) (DUP): Has the Minister had any discussions with the Department for Social Development in Northern Ireland about some of the excellent initiatives that it is undertaking, particularly in relation to young people coming out of school and college?

Maria Miller: We have many conversations with the devolved Administrations. I cannot recall anything about that subject particularly, but I will pick that up later.

Child Support Agency

7. **Jake Berry** (Rossendale and Darwen) (Con): What steps he is taking to prevent disagreements between parents in their dealings with the Child Support Agency. [66535]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The current child support schemes can entrench conflict and they do not encourage parents to work together in the best interests of their children. We are taking steps to draw on a range of support to help parents collaborate to reach family-based arrangements for child maintenance wherever possible, which we believe will help the ongoing involvement of both parents in a child's life after separation.

Jake Berry: People in Rossendale and Darwen who deal with the CSA tell me that they find that the CSA's approach creates trouble in what is already a strained relationship. Will the Minister please update the House about the practical steps that are to be taken to introduce a more conciliatory approach?

Maria Miller: My hon. Friend is getting to the heart of the reform that we are looking to put in place under the future scheme, which is to make sure that parents such as his constituents get the right support up front from specialist organisations that can help them with their parental relationship post-separation. There is a growing body of evidence to show that that is one of the main determinants of whether people have an effective child maintenance regime in place after separation.

Sheila Gilmore (Edinburgh East) (Lab): Does the Minister believe that £30 million over four years over the whole of England will be sufficient to achieve her aims? That is the £30 million from the Department for Education which is for all sorts of relationship counselling, not just in relation to the Child Support Agency?

Maria Miller: The hon. Lady is right: finances are tough, but she is well aware of the situation that we inherited. The Department for Education is not the only Department to invest in parental relationship support. The Department for Work and Pensions already invests well over £5 million a year in the options service, which does an excellent job, as far as it goes at present, in providing some of the support that I would like to see augmented in the future.

Jenny Willott (Cardiff Central) (LD): Some parents with care had spent years trying to get money out of absent ex-partners with no success before the CSA imposed a deductions of earnings order. The Government propose to close all existing cases when the new scheme is up and running, including those with deduction of earnings orders in place. Although I welcome the Government's emphasis on parents working together to solve problems, can the Minister reassure me that where there is a long history of non-payment, cases will not be closed and families left with no money at all?

Maria Miller: My hon. Friend raises an important point, and that is just the sort of detail we are working through. It is absolutely our intention to ensure that transitional arrangement are in place to help parents in the situation she describes to have continuing payments into the future, and I am certainly making that a priority.

Disability Living Allowance

8. **Thomas Docherty** (Dunfermline and West Fife) (Lab): What the terms of reference are of his review of the mobility component of disability living allowance. [66536]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): We have announced that we would not remove the DLA mobility component from people in residential care from October 2012 and would consider the issue as part of our wider reform to introduce the personal independence payment. It is only right that we consider carefully the needs of this particular group to understand their current circumstances before we come to any final decision on how best to address their needs in future.

Thomas Docherty: If that is the case, perhaps the Minister can explain why these savings still appear to be in the Chancellor's Red Book. Has she discussed the matter with her colleagues in the Treasury?

Maria Miller: The hon. Gentleman has probably raised this matter with me before. The Red Book reflects the current position, which is that support for care home residents is being reviewed alongside the broader reform of DLA. The figures in the Red Book make it clear that those savings will be made as part of the Government's overall reform of the programme, which is very consistent with what I have said, and will be part of the reform of PIP.

Margaret Curran (Glasgow East) (Lab): I take it from the Minister's answer to the previous question that the loss of £160 million for disabled people will continue. I draw to her attention the launch today of an independent review of the mobility component of disability living allowance, led by Lord Low of Dalston CBE and overseen by the charities Leonard Cheshire Disability and Mencap. It has been launched because they have lost confidence in the Government's review. Unlike the Government's review, the Low review includes clear terms of reference, calls for evidence and representations from disabled people themselves. If the Minister is sure of her ground on this matter, and in the interests of transparency, will she commit today to participating in the Low review?

Maria Miller: I thank the hon. Lady for her question—I think. The deficit does not go away, and I think she needs to remember that. We have to ensure that we have sufficient money to have a sustainable disability living allowance or personal independence payment into the future, and I look forward to working with her on ways of achieving that. With regard to the additional evidence that will be put forward as part of the Low review, I obviously welcome any additional information that will help us, along with the 5,500 submissions we have received as part of the DLA consultation. This is a really important issue and I am glad that the hon. Lady is getting involved in finding the right solution, because obviously that is important for us all.

Employment and Support Allowance

9. **Duncan Hames** (Chippenham) (LD): What plans he has to issue guidance to prospective applicants on the evidence required from them to receive employment and support allowance. [66538]

The Minister of State, Department for Work and Pensions (Chris Grayling): ESA claims are normally made by phone. A statement is then sent to the claimant setting out any additional evidence necessary to support the claim. If claims are made using a clerical form, notes are provided about evidence that may be required. There are no current plans to issue further guidance, but this is constantly kept under review.

Duncan Hames: I thank the Minister for that answer and am pleased to know that this is under review. Answers to my written parliamentary questions show that in Chippenham nearly half of all unsuccessful applicants who appeal win their cases at tribunal, in some cases by presenting evidence that they did not know they were to produce when they first made their application. Does the Minister recognise that these successful appeals are a costly process that do not represent value for money for the taxpayer and cause unnecessary heartache and hardship for the people concerned?

Chris Grayling: I absolutely agree with my hon. Friend and want to see fewer cases going to appeal. This is one reason why we have stepped up the reconsideration process in Jobcentre Plus, so after the initial decision is made we actively seek out further evidence, if such evidence exists, and use it to reconsider our decision. I hope and expect to see the number of successful appeals reduce significantly as a result.

Ms Karen Buck (Westminster North) (Lab): Local Jobcentre Plus officials have advised me that there is already a significant delay in the work capability assessment

test in my local area because the assessments are taking around twice as long as was originally predicted. Can the Minister reassure the House that this is not the situation across the whole country and that there is no backlog in the work capability assessments, with all that that would imply for claimants and for the service?

Chris Grayling: We have remained on schedule to start the process for individuals. It is not the case that assessments are taking twice as long. There is an early element of bedding in for the personalised statement, as was recommended by Professor Harrington, but we are not aware of any long-term factors that would change the timetable for the whole reconsideration process.

Work Programme

10. **Mike Crockart** (Edinburgh West) (LD): What assessment he has made of the effectiveness of user groups in assisting people with disabilities to obtain work through the Work Programme. [66539]

The Minister of State, Department for Work and Pensions (Chris Grayling): I regard the role of specialist organisations and specialist user groups as extremely important for the delivery of the Work programme. They, above all others involved, will be able to provide the specialist support that individuals with particularly serious challenges in their lives face in trying to get into the workplace.

Mike Crockart: I thank the Minister for his answer. However, given that only 230 disabled people secured work through residential training colleges last year, at an average cost of £78,000 per person, will the Secretary of State commit to implementing the recommendations as set out in last week's Sayce review on allowing such colleges to develop as centres of excellence and to adapt their provision to operate directly in provider markets—for instance, as subcontractors in the Work programme?

Chris Grayling: We are considering the Sayce recommendations and have not yet formally responded about our decisions on whether to adopt most of them. However, my hon. Friend makes a sensible point. I have visited the Queen Elizabeth Foundation for Disabled People near my constituency in Surrey, where I said to people that I would encourage them to look to see whether they can enter the Work programme to provide specialist support as subcontractors. I hope that all the colleges will consider taking such an approach.

Departmental Jobs (Relocation)

11. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Whether key suppliers to his Department are required to consult him on any planned relocation of jobs abroad. [66540]

The Minister of State, Department for Work and Pensions (Chris Grayling): Let me start by saying that we will not offshore any DWP jobs. I share the hon. Lady's concerns regarding work being done offshore by suppliers. Many of the Department's subcontractors began using some offshore staff under the previous Government. The Department is exploring how future offshoring can be minimised and whether jobs currently offshored could potentially be moved back to the UK in future.

Chi Onwurah: I welcome the Minister's reply. As he no doubt knows, the north-east has some of the highest unemployment rates in the country. Hewlett Packard's decision to offshore jobs in Newcastle supplying his Department with IT will not help matters. Santander recently announced that it is bringing all its call centres back to the UK following pressure from customers. As Hewlett Packard's customer, what concrete steps is the Minister taking to achieve the same result?

Chris Grayling: I have already had a meeting with Hewlett Packard to discuss the issue, and I expect to have another such meeting shortly. The hon. Lady refers to call centres. All the Department's call centres are sited in the UK. We have the biggest virtual contact centre in Europe, and it is very good, I believe; I applaud the professionalism of the staff who work in it. I would expect to see many similar offshore centres return to the UK in future, because, in my view, British-based staff are the best contact centre staff.

Child Care (Universal Credit)

12. **Jessica Morden** (Newport East) (Lab): When he plans to publish proposals for supporting childcare through universal credit. [66541]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I made a commitment to provide more detail during the passage of the Welfare Reform Bill and am still on track to do so in time for its scrutiny in the Lords. We are considering the advice and suggestions raised in productive discussions held with MPs, peers and lobby groups, along with recent written responses submitted by attendees. It is going very well and we are learning a lot from those responses.

Jessica Morden: Will the Minister guarantee that the Government's stated aim that universal credit will always pay will be in place for all families where child care costs are taken into account?

Mr Duncan Smith: That is absolutely our intention. That is why we are listening carefully to what people have proposed. The whole point about child care is that it should be there to support particularly women going into work who have caring responsibilities. We are reviewing this to make sure that that continues to be the case under universal credit. That is the whole point about the consultation. In other words, where we may be wrong, we can get that corrected and make sure that we come forward with a really good package in time for the debates in the other place.

Stephen Timms (East Ham) (Lab): What is now the Government's policy on the benefit cap in universal credit? The Secretary of State has told us that the policy is not changing, but press reports from Liberal Democrat sources contradict that by saying that the issue is far from settled and that the cap might not apply to existing benefit recipients. Then, last week, the Minister with responsibility for employment confirmed in a letter to

me that "easements" are indeed being considered for existing recipients. So was the Secretary of State mistaken, and is the policy changing or not?

Mr Duncan Smith: The policy is not changing. The right hon. Gentleman should have written to me and my colleague at the same time, and we would both have given exactly the same answer. We have always said that in the course of the cap, we will look at any difficult cases. [HON. MEMBERS: "Ah!"] We have always said that. One would always do that in a transition, just as we are doing with housing benefit. I remind the right hon. Gentleman and his colleagues that the cap will come in at a gross level of £35,000 a year. I would very much like to know what their position is on the cap, because so far we have heard absolutely nothing about whether they support it or are opposed to it. Perhaps they will tell us now. Most people out there are in favour of it.

Personal Independence Payment

13. **Peter Aldous** (Waveney) (Con): Whether the mobility component of the personal independence payment will be available to people living in residential care. [66542]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): We are reviewing the existing evidence and gathering more to determine the extent to which there are overlaps in provision for the mobility needs of people in residential care homes. The work is continuing and we will make a final decision on the way forward when it is complete.

Peter Aldous: For the residents of Shaftesbury Court in Lowestoft in my constituency, the mobility component plays an important role in enabling them to lead active lives in the local community. Can the Minister confirm that the PIP will be sufficiently well designed and funded so that that can continue?

Maria Miller: I note my hon. Friend's assiduous support for his constituents in Shaftesbury Court. He also raised this issue on Third Reading of the Welfare Reform Bill. I reassure him that we will consider the needs of people who are in receipt of DLA as we move forward with PIP, regardless of their place of residence. We are doing a great deal of work to ensure that there is sufficient support so that people get the mobility that they require.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister realise that in the good society—I do not know about the big society—we care about the disability mobility component? It would destroy people's lives, including the lives of people in the Leonard Cheshire home in Huddersfield, if it was taken away, because the ability to get out and see something of real life is an essential quality of the good life and the good society.

Maria Miller: That is why, as we announced, we are not removing the mobility component from DLA in October 2012. We will ensure that people who live in care homes get sufficient support under PIP.

Pat Glass (North West Durham) (Lab): I recently met constituents in my local Leonard Cheshire home in Crook who are very concerned about losing the mobility element of DLA. The Minister subsequently wrote to my local newspaper, *The Northern Echo*, advising that those people were wrong to worry about this and that they would not lose it. Is that the Government's position or is it subject to the review? Are the Government just not sure yet?

Maria Miller: I, too, have visited Leonard Cheshire homes, and I have met Leonard Cheshire representatives to discuss this issue. I assure the hon. Lady, as I just said to the hon. Member for Huddersfield (Mr Sheerman), that we are not removing the DLA mobility component in October 2012. We will look at the needs of care home residents alongside the needs of all other recipients of DLA as part of the broader PIP reform. Perhaps she can take that message back to her constituents. It would be great to get some good information out there.

Young People (Employment Support)

16. **Brandon Lewis** (Great Yarmouth) (Con): What steps he is taking to support young people into work. [66545]

The Minister of State, Department for Work and Pensions (Chris Grayling): We are doing three things to help young people into work. Our work experience scheme will provide an opportunity for up to 100,000 young people to get their first taste of the workplace over the next two years. We have launched tens of thousands of new apprenticeships that are designed to build a career for young people. Through the Work programme, we are providing specialist back-to-work support for those who are struggling to get into work, the longer-term unemployed and those who come from the most challenging backgrounds.

Brandon Lewis: In an area like Great Yarmouth, which has above average unemployment and in some cases third generation unemployment, those projects are hugely important in getting young people back into work. To help promote the opportunities for businesses, will the Minister outline how many people have undertaken and will undertake work experience this year?

Chris Grayling: The latest figures show that at the end of the first quarter, give or take, about 10,000 young people had so far benefited from our work experience scheme. Employers have so far committed to provide about 35,000 places. I am very optimistic that the scheme will deliver real opportunities for young people, some of whom have started to get into work through the placements.

Julie Hilling (Bolton West) (Lab): Unemployment in the '80s and '90s was devastating for young people and gave us a generation with no jobs, no hope and no future. Has the Minister evaluated how much long periods of unemployment for a young person cost the UK economy?

Chris Grayling: There is no doubt that long periods of unemployment for young people are damaging both economically and to them personally. The hon. Lady

will therefore welcome the fact that youth unemployment is lower today than it was at the time of the general election. I hope and believe that the specialist support that we are providing through the Work programme, the placements that we are providing through our work experience scheme and the extra apprenticeships for young people will make further inroads into that total.

Jason McCartney (Colne Valley) (Con): I had the pleasure of visiting a small engineering business in Meltham a week ago. It has a big contract for making the suspension for the Ocelot Land Rover, and it is going to employ an extra 50 people over the coming 12 months. Can we learn lessons from the previous Government, who left power with 250,000 more young people unemployed, so that we can ensure that as private companies expand and take on workers, they give real emphasis to employing young people?

Chris Grayling: My hon. Friend is absolutely right, and that is why the extra apprenticeships that we have launched are so important. His experience is the same as that of my hon. Friend the Member for Stafford (Jeremy Lefroy)—who is no longer in his place—at whose jobs fair several leading engineering companies were looking for young people. If we deliver the apprenticeship opportunities, the private sector is out there ready to create the jobs for young people.

John Robertson (Glasgow North West) (Lab): With people living longer and being employed in jobs longer, with people coming in from outside this country and taking up the cheap labour jobs, and with there being no law in effect that means that anyone taking up an apprenticeship has to be below a certain age, what is the right hon. Gentleman going to do in the years ahead to ensure that young people get employed?

Chris Grayling: The hon. Gentleman is, of course, describing some of the failings of the previous Government. What we have to do is ensure that we have a work-ready, well-trained work force of all ages, ready to take advantage of the opportunities that arise, when they arise. We can do that through more apprenticeships, through the specialist support in the Work programme, and through work experience placements that give young people their first taste of the workplace. I am delighted to say that youth unemployment is lower today than it was when his party left office.

Work Programme

17. **Gavin Barwell** (Croydon Central) (Con): How many people have entered employment as a result of the Work programme. [66546]

The Minister of State, Department for Work and Pensions (Chris Grayling): The Work programme was launched last month and has long-term goals. Sustained jobs, not quick fixes, are what will change people's prospects, particularly for those who are long-term unemployed. That is what the Work programme will pay for. The Department expects to release statistics on referrals to the Work programme from spring 2012, and on job outcomes lasting three or six months from autumn 2012.

Gavin Barwell: During the last recess I spent several days in my local Jobcentre Plus office and saw for myself the contribution that a number of small voluntary organisations are making to getting unemployed people back into work in my constituency. Can my right hon. Friend assure me that, as part of the Work programme, there will still be a role for such small local voluntary organisations?

Chris Grayling: I absolutely can give my hon. Friend that assurance. There are about 500 organisations from the voluntary sector involved, large and small, ranging from the Prince's Trust and similar-sized organisations through to local projects such as a walled garden project in Yorkshire. There is space for any organisation that delivers excellence in getting people back to work, and those that are really good at doing it have every reason to become involved in a payment by results approach.

Hywel Williams (Arfon) (PC): What steps are the Government taking to respond to the local variability in job opportunities, so that people are not penalised in the benefits system merely because jobs are not available in their area?

Chris Grayling: One of the things that we expect the Work programme providers to do is match individuals to vacancies. Even in Wales, as we know from the debate that the hon. Gentleman and I had last week, there are a significant number of vacancies. There has been private sector growth in the past few months, and unemployment has fallen. We have to ensure, through the work of Jobcentre Plus and the Work programme providers, that people on benefits take advantage of opportunities when they arise.

Richard Harrington (Watford) (Con): Several Members have mentioned jobs fairs in their constituencies. We had one in Watford two weeks ago, to which 5,000 people came and at which more than 600 jobs and apprenticeships were on offer. As we speak, three weeks later, 50 jobs and 30 apprenticeships have been offered, predominantly to young people. As the fair was organised with Jobcentre Plus and seems to be a formula that helps, at no cost whatever to the taxpayer, is the Minister prepared to circulate the idea to other Jobcentre Plus offices and assist in organising such events?

Chris Grayling: Absolutely, and I pay tribute to my hon. Friend for his work. There have been a series of successful jobs fairs in Enfield North, in Stafford, in Reading East and now in his constituency. I would say to Members on both sides of the House that they are a really good way of bringing together local employers, local unemployed people and others who can help them, and Jobcentre Plus and the Department will help any Member of Parliament who seeks to get such a fair up and running.

Personal Independence Payment

18. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): Whether he plans to review his proposal to extend the personal independence payment qualifying period from three to six months. [66547]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): A key principle of our welfare reforms is simplification of the complex benefit system, and that proposal is a simplification by bringing the qualifying period for personal independence payment into line with other disability benefits, while providing the sort of supports that people need with their long-term disability problems.

Catherine McKinnell: As chair of the all-party parliamentary group on multiple sclerosis, I am very aware of how concerned many organisations are about the Government's proposals. Will the Minister outline how she expects extending the qualifying period will impact on those with fluctuating conditions, especially when many of them will simply not be able to receive any support elsewhere?

Maria Miller: I do not think that the qualifying period will particularly adversely affect individuals with fluctuating conditions, because this is about distinguishing between long-term and short-term disabilities. To qualify for PIP, a person will satisfy a six-month qualifying period, and be expected to meet the overall qualifying period of 12 months. That adopts the common definition set out in the Equalities Act 2010, for consistency.

State Pension Age (Women)

19. **Graeme Morrice** (Livingston) (Lab): What steps he is taking in respect of women affected by proposed changes to the state pension age. [66548]

The Minister of State, Department for Work and Pensions (Steve Webb): While the Government remain committed to treating men and women equally in state pensions sooner, and to equalising at age 66 sooner, as my right hon. Friend the Secretary of State for Work and Pensions said on Second Reading of the Pensions Bill:

"I recognise the need to implement the change fairly and manage the transition smoothly...I say to my colleagues that I am willing to work to get the transition right, and we will."—[*Official Report*, 20 June 2011; Vol. 530, c. 50.]

Graeme Morrice: I thank the Minister for his answer, but 1,300 women in my constituency will have to wait up to two years to receive their state pension following the changes made by this coalition Government. Indeed, I have received a huge amount of mail on this issue, in which constituents have described the Government's plans as unfair, unbelievable and cockeyed, among other things. Notwithstanding transitional relief, will the Secretary of State think again and give those affected enough notice to plan adequately for their retirement?

Steve Webb: Clearly, there is a balance to be struck between catching up with the very dramatic improvements in life expectancy, which are moving ahead faster and faster, and recognising the need for fairness and notice. We are trying to strike that balance. We recognise that we need to refine the Bill's proposals to do so, and we will come back with proposals.

Miss Anne McIntosh (Thirsk and Malton) (Con): May I thank the Minister for his answer in that regard? Will he give some reassurance to those in Thirsk, Malton and Filey who have written to me? Successive Governments, and the Turner report, have said that it takes some 10 years to plan for retirement. Will that be reflected and recognised in the Government's transition proposals?

Steve Webb: As my hon. Friend will be aware, if we were to delay the whole transition for 10 years we would need to find an extra £10 billion of savings out of the £30 billion in the Pensions Bill. We believe that many of the people who are affected by the transition are affected by a lot less than the two years that the hon. Member for Livingston (Graeme Morrice) mentioned. We are therefore trying to tackle those who are most adversely affected, and I am confident that we will be able to do so.

Rachel Reeves (Leeds West) (Lab): May I take this chance to wish the Pensions Minister a happy birthday?

The House knows that changes to the state pension age mean that 500,000 women in their mid-50s will have their pension delayed by more than a year, and 33,000 will have to wait an extra two years. We all welcomed what the Secretary of State and the Minister said about transition on 20 June, yet in Committee the Government tabled no amendments to their legislation, and we have heard not a word from the Minister or the Secretary of State on what those transition arrangements will look like. With the recess starting this week, what hope can the Minister give to those 500,000 women that the Government will put in place some transitional arrangements for a fairer timetable that gives people the chance to prepare, and gives them some certainty as they look forward—they hope—to their retirement?

Steve Webb: I thank the hon. Lady for her good wishes for my birthday, and reciprocate by offering her good wishes for her wedding later this summer.

On the specific issue that the hon. Lady raises, she and I have spent the best part of 20 hours debating such things in Committee over the last couple of weeks. The Government wanted to give the Opposition the chance to bring forward some fresh thinking, and we were therefore rather disappointed when they simply retabled the amendments that they had tabled in the House of Lords. We were looking for some fresh thinking—but as it has not come from the Labour party, we will have to do it ourselves.

Employment and Support Allowance

20. **Bill Esterson** (Sefton Central) (Lab): What estimate he has made of the number of people diagnosed with cancer who are in the work-related activity group of employment and support allowance and have claimed it for over one year. [66549]

The Minister of State, Department for Work and Pensions (Chris Grayling): In November 2010, the latest month for which we have figures available, there were 1,730 people receiving employment and support allowance for over one year in the work-related activity group where the primary condition was recorded as neoplasms—that is, people diagnosed with cancer.

Bill Esterson: Many cancer patients receive treatment for more than a year, and face losing their employment and support allowance while still receiving treatment.

How many people receive cancer treatment for more than a year, and would therefore lose ESA under the Government's plans?

Chris Grayling: Under the changes that we have introduced, more people suffering from cancer will be in the support group receiving ongoing unconditional support than was the case under the previous Government. The changes that we have made to contributory ESA are a direct consequence of the previous Government's financial mismanagement. We have had to take some tough decisions on budgets, and this is one of them. We have formed the view that if people have other financial means available we cannot continue to pay them ESA indefinitely. That is a natural consequence of the failings of the hon. Gentleman's party, not a choice we would have wished to have to make.

George Hollingbery (Meon Valley) (Con): Will the Minister reconfirm his commitment to examine whether people on oral chemotherapies should automatically be placed in the support group, rather than in the work-related activity group as they currently are?

Chris Grayling: I am pleased to tell my hon. Friend that we have now received proposals from Macmillan Cancer Relief and Professor Harrington that contain some valuable suggestions and ideas. We have not finished our consideration, but we hope to make an announcement shortly.

Child Support Agency

21. **Caroline Nokes** (Romsey and Southampton North) (Con): What steps he is taking to prevent disagreements between parents in their dealings with the Child Support Agency. [66550]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I refer my hon. Friend to the answer I gave earlier to my hon. Friend the Member for Rossendale and Darwen (Jake Berry).

Caroline Nokes: Does the Minister agree that one of the causes of conflict between both resident and non-resident parents is the unacceptable delays that their cases face when being processed by the Child Support Agency, and has she any plans to bring measures forward that would reduce those delays?

Maria Miller: The average wait at the moment is more than two months for a new application to be processed, and that can lead to non-resident parents unavoidably accruing arrears—a problem that we inherited with the present very difficult system. We have plans to undertake a fundamental reform that will considerably improve this, and lead to a much shorter time for processing claims, which will bring considerable benefits.

Mr Jim Cunningham (Coventry South) (Lab): Has the Minister had any discussions with the Secretary of State for Education about the future of Sure Start? The Conservatives, before they were elected, gave a solemn commitment to retain Sure Start, yet in Coventry the cost is being passed on to the local authority.

Maria Miller *rose—*

Mr Speaker: Order. That question was extremely tangentially related to dealings with the Child Support Agency—but I am sure that the Minister's ingenuity means that she will adroitly cope.

Maria Miller: The hon. Gentleman makes a good point about the potential importance of Sure Start in child support. Indeed, we are talking to our colleagues in the Department for Education about possible opportunities for Sure Start to work with the Child Support Agency. We already have a trial—set up under the previous Administration—looking into that issue, and Ministers in that Department have ensured that sufficient funding is in place to keep the Sure Start network working.

Topical Questions

T1. [66554] **Annette Brooke** (Mid Dorset and North Poole) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I wish to take this opportunity to thank the hon. Member for Nottingham North (Mr Allen) for the tremendous work on early intervention that he has delivered to us. The report highlights the vital importance of early intervention for the prospects of today's children as well as outlining recommendations for making early intervention happen through growth on the social investment market.

Annette Brooke: What assistance should Jobcentre Plus staff be giving to people with dyslexia, and what monitoring does the Department carry out to ensure that such people are not discriminated against?

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I thank my hon. Friend for her question; it is important that we deal with people's jobs needs in a very individual way. Jobcentre Plus has disability advisers who have special knowledge of dyslexia, and it is something that requires continued support.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): On 11 July the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), confirmed that his Secretary of State had seen analysis by the Department for Communities and Local Government suggesting that his benefit cap could make 40,000 people homeless, and actually cost more than it saved. I do not mind who answers this question, but will someone please confirm whether the Minister himself also saw that analysis?

The Minister of State, Department for Work and Pensions (Chris Grayling): No.

Mr Byrne: This was a piece of analysis with enormous implications for the way in which the policy was implemented. This piece of work was so important that it was sent to the Prime Minister, the Chancellor of the Exchequer, the Deputy Prime Minister, the Chief Secretary to the Treasury and the Secretary of State. What was it that was so important about that analysis that it was not given to the Minister actually putting the legislation

through this House? Will he now ensure that the analysis is produced before the House of Lords reaches the relevant debate?

Mr Duncan Smith: The right hon. Gentleman has written to me about this point and I have written back—but there is nothing like re-exercising the exchange—so he will know that the figures to which he refers were internal, not verified and out of date. Since then, as I have said to him, the DCLG and my Department agreed the impact assessment that the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) stood on at the time of the Welfare Reform Bill and which we still stand on today. We should bear in mind the fact that—I do not know whether the right hon. Gentleman is aware of this—there are huge behavioural changes involved. The whole idea behind the cap—we still have no idea whether the Opposition support it or are against it—is that we believe that capping those benefits at gross £35,000 a year is reasonable. Instead of trying to dance on the head of a pin, perhaps he would like to give some leadership and tell us whether his side actually supports the cap.

T2. [66555] **Iain Stewart** (Milton Keynes South) (Con): Following the decision by the Payments Council not to phase out personal cheques, may I ask my hon. Friend whether he intends to change his Department's plan to phase out payments of benefits and pensions by cheques, which is causing concern to blind and visually impaired people?

The Minister of State, Department for Work and Pensions (Steve Webb): We believe that the current DWP cheque service does not well suit people with a visual impairment. For example, a cheque is sent by post with no distinguishing mark on the envelope and we ask blind people to sign for the payment. We are working with customer representatives, including the Royal National Institute of Blind People, to design a simple payment system that works better for people. However, I can assure my hon. Friend that there is no plan to require a personal identification number as part of that process.

T4. [66557] **Yvonne Fovargue** (Makerfield) (Lab): In 2010-11 there was an increase in incapacity benefit and employment and support allowance appeals of 167% on 2008-09 figures, and 50% of incapacity benefit appeals were decided in favour of the appellant. What steps is the Minister taking to ensure that independent welfare benefit advice is available equally across the country, so that the figures do not reduce simply because claimants have no access to advice?

Chris Grayling: I hope that the figures will reduce because the quality of decision making within Jobcentre Plus improves as a result of the recommendations made to us by Professor Malcolm Harrington. As the hon. Lady will be aware, we have strengthened the reconsideration process and are telephoning rather than writing to claimants, particularly to ensure that we get better medical evidence. I do not want cases going to appeal; I want them resolved properly, satisfactorily and accurately within Jobcentre Plus.

T3. [66556] **Graham Evans** (Weaver Vale) (Con): One of my constituents living in Murdishaw, one of the most deprived estates in Runcorn, recently contacted me about the current housing benefit arrangements. My constituent believes that it is deeply unfair that people living on low incomes in areas such as Murdishaw are paying through their taxes for unemployed Londoners to live in multimillion pound houses in trendy parts of the capital. Will the Minister stand up for my constituents and ensure that housing benefit is capped at a fair level?

Steve Webb: My hon. Friend is right to highlight the fact that the Government do not want people in low-paid work put at a disadvantage relative to people who are unemployed. We believe that they should face no worse a situation. That is why we have introduced a housing benefit cap that will particularly affect central London and reduce the local housing allowance from the 50th to the 30th percentile—to make things fair between those who are on benefit and hard-working people in low-paid jobs.

T6. [66559] **Mr William Bain** (Glasgow North East) (Lab): Does the Secretary of State accept the analysis of the Joseph Rowntree Foundation that, with child benefit being frozen and child care support through the tax credit system being cut by 10%, families with children will need to earn 20% more this year than last to meet the soaring costs of child care? What will he do about universal credit to ensure that lone parents, in particular, do not face an unacceptable financial burden because of his changes?

Mr Duncan Smith: The whole purpose is to ensure that lone parents have an opportunity to get back to work and to support themselves through work. The hon. Gentleman referred to the work of the Joseph Rowntree Foundation. We do not always accept everything that comes forward; there are often analyses that we do not accept. He will understand that from his time in government. As far as we are concerned, reducing to five the age of a lone parent's child at which the lone parent goes back to work—following the Labour party's age reduction to seven—is the right thing to do. Getting lone parents to take control of their lives through work has to be good for them.

T5. [66558] **Mr Rob Wilson** (Reading East) (Con): In April I held a successful jobs fair in Reading, with nearly 2,000 people in attendance and 40 companies offering 1,500 jobs. I will be repeating it in September. What specific improvements in the service offered to them will my unemployed constituents get from the Work programme?

Chris Grayling: I congratulate my hon. Friend on being another author of a successful jobs fair project. The Work programme will offer the long-term unemployed in his constituency, including those from the most challenged backgrounds, much more tailored and specialised support, as well as infill training and other support, which will enable them to get into work on a scale and of a quality not seen before. Not only that, but they will be supported to stay in work too.

T7. [66560] **Gavin Shuker** (Luton South) (Lab/Co-op): When will the Minister announce the so-called transitional arrangements for the women most affected by his accelerated timetable for introducing changes to the state pension age?

Steve Webb: Any changes that require primary legislation will be considered when the House considers the Pensions Bill on Report later in the year.

T8. [66561] **Mr John Leech** (Manchester, Withington) (LD): The overall cap on benefit will result in some larger families living in expensive rented accommodation through no fault of their own being expected to live on £100 a week. May I suggest to the Secretary of State that the solution to that problem is to have two completely separate caps—one for housing benefit and one for the rest of benefits—so that families will not be left in poverty simply because of which part of the country they live in?

Mr Duncan Smith: The purpose of the cap is not to make people homeless or put them in difficult situations; the purpose is to try to restore the balance, so that when people enter work they do not suddenly have to lose their house because, owing to the withdrawal of housing benefit, they can no longer afford to pay for it. It is not a kindness to leave somebody in a house that they cannot afford and then put them through all that difficulty when they go to work. We are certainly looking at all those transition issues, and we will discuss them further with my hon. Friend.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): During his last outing at DWP questions the Pensions Minister undertook to respond to me imminently about Sure Start maternity grant for parents of multiples. Can he tell me how imminent is "imminent"?

Steve Webb: I am grateful to the hon. Gentleman for assiduously pursuing that issue. Following oral questions I had discussions with Ministers on the point that he raised, and I hope to come back to him shortly.

Amber Rudd (Hastings and Rye) (Con): I recently led a competition in Hastings to find a young entrepreneur to set up in business, and was amazed and delighted at the quality of the young applicants. Can the Minister assure me that the new enterprise allowance providers will also focus on young people who might not consider themselves to be entrepreneurs, but who often have the energy, commitment and ideas to set up in business?

Chris Grayling: I congratulate my hon. Friend on the support that she has been providing to young entrepreneurs in her constituency. It is not simply the new enterprise allowance that will provide support for young people on benefits to set up businesses; many of the Work programme providers are also introducing specialist support, including one that is setting up a microfinance fund for new entrepreneurs. Self-employment is an important route out of unemployment, and we will continue to do what we can to support it.

Naomi Long (Belfast East) (Alliance): Over the last 15 months I have been dealing with a constituent who has raised a complaint against the Child Support Agency about a flawed calculation that it made of payments due. Can the Minister say what the Government will do to address both the opaqueness of the CSA's processes for dealing with such complaints and the length of time that they take?

Maria Miller: I thank the hon. Lady for raising that issue. As she and many other hon. Members will know, the Child Support Agency has administration problems. That is why we are looking at fundamental reform, particularly of the computer systems, which we hope will address the problems that her constituents are still having to endure.

Jake Berry (Rossendale and Darwen) (Con): Unlike prisoners, those detained under the Mental Health Act 1983, including Ian Brady and Peter Sutcliffe, are entitled to receive incapacity benefit. Will the Minister tell the House what the Government intend to do about that?

Chris Grayling: I agree with my hon. Friend that that is an anomaly. It is also something that the Department is reviewing as we speak, and we will give more details in due course.

Mrs Madeleine Moon (Bridgend) (Lab): Incapacity benefit reassessments have been causing great distress, and even suicides, among those with mental health problems. Some 95% of those polled said that they did not believe that they could trust the assessment to take their mental health condition into account. What changes will be made to ensure that people with mental health problems will have them taken into account in the work capacity assessment?

Chris Grayling: As the hon. Lady will be aware, that was one of the key questions that we put to Professor Malcolm Harrington last year. As a result of his recommendations we have introduced a number of mental and cognitive champions among the providers in the assessment network. We are also considering a range of further recommendations from mental health charities, and we have instructed our decision makers to take careful account of evidence of mental health problems when reaching their decisions.

Robert Flello (Stoke-on-Trent South) (Lab): North Staffs Remploy in my constituency is so successful that it has had to put on an additional shift to meet demand. Indeed, if it were not for the layers of senior management drawing funds out of Remploy like some leech, it would be very profitable indeed. Will the Minister look carefully again at the Sayce report, and at what happens during the consultation, so as to ensure that my constituents who use Remploy, and who say that it is definitely fit for the 21st century, can continue working for it?

Maria Miller: The hon. Gentleman will know from reading the Government's response to Liz Sayce's consultation that we are looking for new ways to run Remploy. If he feels that there is a way in which we could run it better in his constituency, I ask him please to contribute to the consultation.

Barry Gardiner (Brent North) (Lab): Does the Minister think it acceptable that, in chasing an outstanding payment of more than £30,000 for a mother in my

constituency, the CSA sent just one letter to the father's known address, and accepted the result when it came back marked "Moved away"?

Maria Miller: The hon. Gentleman is absolutely right to suggest that the CSA should be doing much more to ensure that both parents are responsible for their children's financial future, post-separation. That is at the heart of our reasons for reforming the CSA and the approaches that it takes. We want to put that responsibility at the heart of the service that we are delivering.

Dame Anne Begg (Aberdeen South) (Lab): It was the Government who created the anomaly of half a million women being affected by the acceleration in the increase in the pension age, and it was the Government who said that they would make transitional arrangements. I was therefore astonished to hear the Pensions Minister say earlier that he was looking to the Opposition to come up with ideas for those arrangements. The Government have dug this hole, and it should be the Government who get themselves out of it.

Steve Webb: My right hon. Friend the Secretary of State said on Second Reading of the Pensions Bill that while we stand by its principles, we will indeed consider those who are most affected. We had hoped that the way to listen to the views of the House would be to listen to some fresh views in Committee, but unfortunately none was forthcoming.

Points of Order

3.32 pm

The Leader of the House of Commons (Sir George Young): On a point of order, Mr Speaker. I know that this is an unusual time to seek to catch your eye on a point of order, but in view of the fast-moving events surrounding the allegations about phone hacking at News International, I thought that it would be helpful for the House to have clarity about any additional business this week. Ministers are minded to make representations to you that that the House should be recalled on Wednesday in order for my right hon. Friend the Prime Minister to come to the House to update Members on recent developments, and for hon. Members to have an opportunity to hold a full day's debate on these issues. Mr Speaker, given that we want Parliament to remain at the centre of this debate, are you able to give an indication of whether you would be minded to grant such a request?

Mr Speaker: I am, and I will be. The Leader of the House has indicated that the public interest requires that the House should meet this Wednesday. It might be helpful to the House to say that, if I receive a formal request from the Government after the House adjourns tomorrow under Standing Order No. 13, I will appoint 11.30 on Wednesday as the time for the House to meet. The business to be taken at that sitting will be set down by the Government, and the Leader of the House has given a helpful indication of what that will be.

Hilary Benn (Leeds Central) (Lab): Further to that point of order, Mr Speaker. First thing this morning, the Leader of the Opposition called for the House to meet on Wednesday, so I welcome the confirmation that we have just had from the Leader of the House that the Government will seek the recall of the House. However, given that events are indeed moving at a very fast pace, can we be clear on three matters? First, given the large and growing number of questions that now need to be answered by the Prime Minister concerning his judgment, it is essential that he lead the debate on Wednesday. Mr Speaker, have you been given any indication that he will do so, and of what form the debate will take?

Secondly, the Home Affairs Committee and the Culture, Media and Sport Committee will tomorrow take very important evidence from Sir Paul Stephenson, Rebekah Brooks, James Murdoch and Rupert Murdoch. If those Committees produce reports overnight, can you confirm that the House will have a full opportunity to debate those reports and any recommendations as part of Wednesday's business?

Thirdly, as there may be issues of parliamentary privilege that arise from Lord Leveson's inquiry—for example, whether Parliament was lied to, or about the disclosure of material—have you had any indication from the Government, Mr Speaker, as to how they propose to handle matters of privilege in the inquiry's terms of reference?

Mr Speaker: I am grateful to the shadow Leader of the House for that point of order. First, as far as the Minister fielded by the Government is concerned, that is a matter for the Government. The Leader of the House will have heard what the right hon. Gentleman has said, and will be at liberty to respond, after I have finished saying what I am about to say, if he so wishes.

Secondly, so far as the content of the business is concerned, I wait for the Government to decide upon their motion. Once again, it is for the Leader of the House to indicate, as and when he is ready to do so, to the House the proposed terms of the debate. Thirdly, I would say to the right hon. Gentleman that I again await further and better particulars from the Leader of the House, but I should certainly have thought that the reports and the consideration preceding such reports to which the shadow Leader of the House has just referred would be obvious material for consideration in that debate. If the Leader of the House wishes to say anything further at this stage, he is free to do so, but he is not obliged to do so.

The House should also be aware that at any stage between now and Wednesday, further and better particulars could be provided, and there will be a statement on Wednesday—and statements can come at a variety of times. The House will want to be conscious of that and be alert to the possibilities.

Several hon. Members *rose—*

Mr Speaker: I was not proposing to take a long sequence, but I shall take a short sequence.

Mr Peter Bone (Wellingborough) (Con): Further to that point of order, Mr Speaker. Is this not a rather unusual way of dealing with business when the House has not adjourned? Is it not normal to have a business of the House motion—on whether Parliament was going to extend its sitting—for the House to debate?

Mr Speaker: There are all sorts of things that are normal. *[Laughter.]* The hon. Member for Wellingborough (Mr Bone) might well see himself as the very national embodiment of normality and therefore a suitable judge of what is an example of the genre, but the fact that something is normal does not preclude alternatives. The Leader of the House is the person to judge these matters, and he has made his own judgment. If the hon. Gentleman wants a chat or a cup of tea with his right hon. Friend the Leader of the House, that is a matter for them and not for the Chair.

Bill Esterson (Sefton Central) (Lab): Further to the point of order. On 13 July, I received a reply to two parliamentary questions about meetings between Ministers and News International representatives, in which I was told that

"information relating to internal meetings, discussions and advice is not normally disclosed."—[*Official Report*, 13 July 2011; Vol. 531, c. 340W.]

In his statement on the same day, the Prime Minister said that he would be

"consulting the Cabinet Secretary on an amendment to the ministerial code...to record all meetings with newspaper and other media proprietors, senior editors and executives, regardless of the nature of the meeting."—[*Official Report*, 13 July 2011; Vol. 531, c. 313-14.]

[Bill Esterson]

What advice can you give me, Mr Speaker, about the contradiction between the answers to my parliamentary questions received on 13 July and the statement made by the Prime Minister on the same day?

Mr Speaker: My answer to the hon. Gentleman's attempted point of order, which is really a point of debate, is that he should ensure that he is in his seat, perched and primed and ready to pounce with his question to the Prime Minister and, possibly, to make a contribution to the debate that will follow. That is a question and that is a speech that the House will eagerly await.

Several hon. Members *rose—*

Mr Speaker: Order. I am taking people on trust here. Normally, points of order and further points of order would be taken later. I am rather anticipating that points of order will narrowly relate to the matters to which the Leader of the House has just referred. I know the hon. Member for Wrexham (Ian Lucas)will not disappoint in that regard.

Ian Lucas (Wrexham) (Lab): I never cease to disappoint you, but this does indeed relate to named day questions that I put forward, to which I did not receive satisfactory responses from the Prime Minister's office. Those responses contrasted with statements made direct to the press concerning meetings that the Prime Minister had. Is it in order for the press to receive details of meetings that are not provided to Members of Parliament in answer to parliamentary questions? Is that not something that the Prime Minister should come to the House to explain on Wednesday?

Mr Speaker: The business of the House for Wednesday is gradually becoming clearer and clearer, and I have a feeling that the hon. Gentleman will want to raise the matters that perturb him on that occasion. I think we will leave it there for now.

Metropolitan Police Service

3.40 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I will make a statement on the resignations of Sir Paul Stephenson and John Yates, the Metropolitan police investigation into phone-hacking, and allegations of police corruption. I apologise to the shadow Home Secretary, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), for the late receipt of the statement. As I am sure she will appreciate, events have been changing rather rapidly through the day.

As the House will know, last night Sir Paul Stephenson resigned as Commissioner of Police of the Metropolis. As I told him last night, I am sorry that he took that decision. He has led the Met through difficult times, and, although current circumstances show there are still serious issues to be addressed, the Met is stronger operationally today than it was when he took over. I will turn to those difficult circumstances in a moment, but first I wish to update the House on today's developments and on the next steps for the Metropolitan police.

I have already started work with the Mayor of London and the Metropolitan police to arrange an orderly transition and the appointment of a new commissioner. I have agreed that Sir Paul Stephenson will leave his post as swiftly as possible. In the meantime he will remain commissioner, in post at New Scotland Yard and in operational command. Sir Paul will be replaced by Tim Godwin, who will again become acting commissioner, a role that he filled very effectively during Sir Paul's illness between December and April this year. With Tim Godwin as acting commissioner, the Mayor and I are clear that additional resilience is essential from outside the Metropolitan police. I am therefore pleased to announce that Bernard Hogan-Howe has agreed to take on the responsibilities of deputy commissioner on a temporary basis. We are seeking to expedite the process for selecting and appointing the next commissioner.

The House will know that within the last couple of hours Assistant Commissioner John Yates has also resigned. I want to put on record my gratitude to John Yates for the work that he has done, while I have been Home Secretary, to develop and improve counter-terrorism policing in London and, indeed, across the whole country. I can confirm to the House that Assistant Commissioner Cressida Dick will take over his role.

I want hon. Members, Londoners and the whole country to know that the important work of the Met—its national responsibilities such as counter-terrorism operations as well as its policing of our capital city—must and will continue. That important work includes the related investigations Operation Weeting and Operation Elveden.

Operation Weeting, the investigation into phone hacking led by Deputy Assistant Commissioner Sue Akers, is now going through the thousands of pieces of evidence relating to the allegations. Unlike the original investigation into phone hacking, Operation Weeting is proceeding apace, with officers interrogating evidence that was neglected first time round,, pursuing new leads, and—as we saw once again at the weekend—making arrests.

Operation Elveden, also led by Sue Akers, is investigating allegations that police officers have received payments from the press in return for information. This investigation has independent oversight by the Independent Police Complaints Commission. At this stage, it is a supervised investigation—which means that the IPCC sets the terms of reference and receives the investigation report—and as soon as individual suspected officers have been identified, IPCC investigators, overseen by an IPCC commissioner, will take over and lead a fully independent investigation of those officers.

In the future, both these matters will be considered by the Leveson inquiry established by the Prime Minister. In the meantime, I can tell the House that Elizabeth Filkin, the former Parliamentary Commissioner for Standards, has provisionally agreed to examine the ethical considerations that should in future underpin relationships between the Metropolitan police and the media, how to ensure maximum transparency and public confidence, and to provide advice. The management board of the Met has agreed a new set of guidelines relating to relationships with the media, including recording meetings and hospitality and publication of information on the internet.

These allegations are not, unfortunately, the only recent example of alleged corruption and nepotism in the police, so I can tell the House that I have asked Her Majesty's inspectorate of constabulary to consider instances of undue influence, inappropriate contractual arrangements and other abuses of power in police relationships with the media and other parties. I have asked HMIC to make recommendations to me about what needs to be done to address that.

There is nothing more important than the public's trust in the police to do their work without fear or favour, so at moments like this it is natural that people should ask who polices the police. I have already asked Jane Furniss, the chief executive of the Independent Police Complaints Commission, whether she has the power and the resources to get done the immediate work at hand. She has assured me that she does, but additional resources will be made available to the IPCC if they are needed.

I can also tell the House that I have commissioned work to consider whether the IPCC needs further powers, including whether it should be given the power to question civilian witnesses during the course of its investigations. Given that the IPCC can at present only investigate specific allegations against individual officers, I have also asked whether the commission needs to have a greater role in investigating allegations about institutional failings of a force or forces.

Finally, I want to say one last word about the future of the Metropolitan police. The Met is the largest police force in the country, and has important national responsibilities beyond its role policing our capital. The next Metropolitan Police Commissioner will lead thousands of fine police officers, community support officers and staff, the great majority of whom have spent their careers dedicated to protecting the public, often at risk to their own safety. Just three nights ago, hon. Members will know that in Croydon an unarmed Metropolitan police officer was shot as he tried to arrest a suspect. I know that the whole House will agree with me that it is for the sake of the many thousands of honourable police officers and staff, as well as of the public they serve, that we must get to the bottom of all these allegations. Only then will we be able to ensure the integrity of our police and public confidence in them to do their vital work. I commend the statement to the House.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for her statement, and also for her apology; I understand the timing pressures she faced. May I also join her in paying tribute to the Metropolitan police officer who was harmed during the course of duty in Croydon?

The Home Secretary rightly paid tribute to the work of Sir Paul Stephenson. He has done excellent work in London, backing neighbourhood policing and taking action to cut crime in the capital. The Home Secretary also recognised the vital work of John Yates on counter-terrorism. She referred to Sir Paul Stephenson's decision to resign. It was an honourable decision, to protect the ongoing operational work of the Met from the ongoing speculation, but his departure raises very serious questions for the Home Secretary and the Prime Minister.

Yesterday, Home Office Ministers told the press that the Home Secretary would make a statement today on her concerns about the appointment of Neil Wallis. Today she has been completely silent on that issue in this House. The truth is that the Met commissioner and the head of counter-terrorism have now gone because of questions about this crisis and about the appointment of the former deputy editor of the *News of the World*, yet the Prime Minister is still refusing to answer questions or apologise for his appointment of the editor of the *News of the World*. The judgment of the Met has been called into serious question for appointing Neil Wallis, but so has the judgment of the Prime Minister for appointing Neil Wallis's boss, Andy Coulson. People will look at this and think there is one rule for the police and one for the Prime Minister.

The Prime Minister agreed with that this morning. He said this morning:

> "The situation in the Metropolitan Police Service is really quite different to the situation in the Government, not least because the issues that the Metropolitan police are looking at, the issues around them, have had a direct bearing on public confidence in the police inquiry into the *News of the World*".

But the Prime Minister runs the country. The issues that he is looking at and the judgments that he makes have a direct bearing on public confidence in the Government's ability to sort this crisis out.

The Home Secretary is right to have had serious concerns about the appointment of Neil Wallis, but it would have been better if she had told us what they were today. She is also right that she should have been told about the potential conflict of interest in the Met. This does raise serious questions for the force, but the Met commissioner has said that he could not tell her or her boss because of the Prime Minister's relationship with Andy Coulson. So how did it come to this? The most senior police officer in the country did not feel able to tell the Home Secretary about a potential conflict of interest for the force because of the Prime Minister's compromised relationship with Andy Coulson—it was an ongoing relationship, as they met at Chequers in March, months after the new police investigation began. This morning, she refused to defend the appointment of Andy Coulson and today the London Mayor refused to

[Yvette Cooper]

defend the appointment of Andy Coulson. They all seem to have forgotten rather quickly what Andy Coulson used to say—they are "all in this together".

The Home Secretary has been absent from this crisis, despite the serious allegations that have been made about phone hacking potentially affecting criminal investigations, the serious questions for policing and the growing cloud over the national and international reputation of British policing as a result of this crisis. She has said nothing and done nothing for two weeks. We welcome many of the announcements that she made today, but they are precisely the things that we called for last week.

I called last week for five things, three of which the Home Secretary has now done. First, I called for new standards for the Met to govern the relationship between officers and the press. Secondly, I called for a review by Her Majesty's inspectorate of constabulary into the wider concerns about leaks of information, payments for the press and corruption in other forces too. Thirdly, I called for work to strengthen the Independent Police Complaints Commission and an independent complaints procedure to deal with failed investigations in future. We welcome those, just as we welcome her agreement to the judicial inquiry that we called for too, but she should have announced two further things that we also called for.

First, the Home Secretary needs to call for immediate openness and transparency across the Met in respect of all the dealings between senior officers and members of the press, including those at the *News of the World*—that needs to cover private as well as public meetings. Secondly, she needs to review her decision to go forward with elected police and crime commissioners. The nearest that Britain has to an elected police chief is the London Mayor, and that did not stop the problems at the Met—instead it made them worse. Boris Johnson described the phone-hacking allegations as "codswallop" and said that it

"looks like a politically motivated put-up job by the Labour party".

What backing does the Home Secretary think Sir Paul Stephenson and John Yates would have expected from the Mayor if they had decided to reopen an investigation that he had described as "politically motivated"?

Instead of their tackling this problem, we have had an AWOL Home Secretary, a "codswallop" Mayor and a compromised Prime Minister. There is a problem—it is one of leadership. The work of police officers across the country is too important to be tarnished by her failure to get a grip of the problems now. The Home Secretary will not answer all the questions, so I leave her with just one. She knows the importance of leadership to get the country through this crisis and she has criticised the misjudgment of the Met in taking on Neil Wallis, so will she now apologise to the House for the Prime Minister's misjudgment in taking on Andy Coulson, so that the Government can now move forward, exercise some leadership untarnished and sort the crisis out now?

Mrs May: I say to the shadow Home Secretary that from the response she has just given one could have been forgiven for thinking that the Prime Minister had not been anywhere near the House of Commons in the past week, but he stood at this Dispatch Box last week, he answered questions in this House, he answered all the points that the shadow Home Secretary has made and he will be in this House again on Wednesday.

The right hon. Lady asked a long list of questions. She asked why I had not said anything about openness and transparency across the Met, as I had promised to. I made specific reference in my statement to the management board decisions taken by the Metropolitan police to publish details of meetings held by senior officers with members of the press, and they will be available on the internet.

The right hon. Lady asked about the difference between the Met and the Government. Of course there is a difference. The Metropolitan police were investigating allegations of wrongdoing at the *News of the World*, and it is absolutely right that there should be a line between the investigators and the investigated. The issue I raised with Sir Paul Stephenson—which she is aware of because it was made public last week—was the fact that I had concerns that he had not informed us about a conflict of interest. The police in this country should be able to act against crime and criminals without fear or favour, but when they think there is a conflict of interest that should be made transparent.

The right hon. Lady asked about the impact of elected police commissioners. I think everything that has happened shows not that we should be going slow on reform of the police but that we need to ensure that we reform the police.

We then have the extraordinary situation in that the shadow Home Secretary appears in one breath to be saying that I have been absent and doing absolutely nothing and in the other breath saying that I am doing everything she asked for. She cannot simultaneously claim that I am doing nothing and doing something—that is the have-your-cake-and-eat-it opportunism of Opposition politics to which I note that both she and the shadow Chancellor belong.

Finally, let me remind the shadow Home Secretary of a few things—*[Interruption.]*

Mr Speaker: Order. Mr John Robertson, calm yourself. It is very injurious to your health and I do not want to see the effects. That is very undesirable.

Mrs May: Finally, let me remind the shadow Home Secretary of a few things. In 2002, the Select Committee on Culture, Media and Sport reported that the press were making illegal payments to police officers and called on the then Home Secretary to take steps to review, and overhaul if necessary, the guidance and measures aimed at preventing such behaviour by the police and media. Labour took no action. In May 2006, the Information Commissioner reported that the trade in confidential personal information was

"a pervasive and widespread 'industry'".

Labour took no action. Just two weeks ago, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) revealed that he had thought about getting Her Majesty's inspectorate of constabulary to carry out an independent investigation into the Met's handling of phone hacking, but Labour took no action. And, if the shadow Home Secretary wants to keep talking about Andy Coulson, she will have to expect to answer a lot of questions about the Labour party's communications director, Tom Baldwin.

Mr Speaker: Order. In calling the right hon. Member for Carshalton and Wallington (Tom Brake), I congratulate him on his elevation to the Privy Council.

Tom Brake (Carshalton and Wallington) (LD): I, too, pay tribute to the officer shot in Croydon and to all officers who put their lives on the line to keep us safe.

Will the Home Secretary join me in urging the Metropolitan police to move urgently to rebuild their senior team to focus on next year's Olympics and security concerns surrounding the games? Will she strengthen the proposed checks and balances that will apply to elected police and crime commissioners to ensure that neither elected police and crime commissioners nor chief constables can get embroiled in any scandals of any nature once those commissioners are elected?

Mrs May: My right hon. Friend talks about checks and balances. As he will know, we have strengthened the checks and balances that will be provided by the police and crime panels to the police and crime commissioners as the Bill has progressed through the House of Commons and House of Lords. We have made important improvements to those checks and balances.

As regards the senior leadership of the Met, it is entirely right that we move quickly to reinforce it. The additional resilience of bringing in somebody from outside in Bernard Hogan-Howe is important and the immediate step was to ensure that the counter-terrorism post is filled. I can assure the House that the work on the security and safety of the Olympics carries on under Assistant Commissioner Chris Allison, in particular, and he has been doing an extremely good job.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): If the allegations in relation to the hacking of the phones of victims of the 7/7 attack in London are true, the editor of the *News of the World* at the time was working in 10 Downing street, while his deputy, Neil Wallis, was working in New Scotland Yard, just at the time when the quest for the truth became more intense. I did not know, as Home Secretary, that Neil Wallis had been appointed. Did the Home Secretary know, did anyone at the Home Office know and did anyone in 10 Downing street know?

Mrs May: The first I knew of the appointment of Neil Wallis was when I heard from the Commissioner of the Metropolitan police and from the Mayor last Thursday that this had been brought to the Mayor's attention. It was at that time that I wrote to the commissioner and expressed my disquiet and concern that this issue had not been raised earlier, at a previous stage. I indicated last Thursday that that was a concern, and it remains a concern.

Mr David Ruffley (Bury St Edmunds) (Con): The IPCC is renowned for the long, drawn-out nature of its inquiries. Those of us who are interested in restoring public confidence in the police would like to know from the Home Secretary when she expects the IPCC to report.

Mrs May: I have asked the IPCC to undertake a number of reports. It will report to me by the end of the summer on the report I asked it to undertake last week into allegations it has received about corruption in the police force previously and any lessons that need to be learned in relation to that. It will, of course, pursue investigations against any individual officers who have been named. I am sure that my hon. Friend will agree that it is right and important that that is done properly and fully. I understand the point he is making, but I am sure that none of us would want the results of those inquiries to be in any way jeopardised by a desire to do them speedily rather than fully and properly.

Mr Jack Straw (Blackburn) (Lab): May I underline the comments that have been made about the reputation of Sir Paul Stephenson, who was a very fine chief constable of Lancashire police before he moved on to be deputy commissioner and then Commissioner of the Metropolitan police, which he pursued with similar very high standards? Will the Home Secretary explain the point about conflict of interest? Was it not entirely proper and consistent with Sir Paul's level of integrity that, unusually, he decided that he could not disclose information to the Home Secretary because of what he perceived to be a conflict of interest at the heart of government? Why is she trying to shuffle off responsibility for this when it is at that point that the conflict exists?

Mrs May: As I said earlier, I believe that the police should be able to investigate every allegation and to chase evidence as far as it takes them without fear or favour. When a conflict of interest arises—if the Metropolitan police feel there is a conflict of interest—that should be made transparent and that is why I believe I should have been told earlier. However, I say to the right hon. Gentleman that the Metropolitan police did not make the appointment of Neil Wallis known to previous Home Secretaries—notably previous Labour Home Secretaries—either.

Mr John Whittingdale (Maldon) (Con): Does my right hon. Friend accept that some of the biggest questions during the whole of the phone-hacking saga relate to the failures on the part of the police to investigate, as well as to what has been going on in newsrooms, particularly why the police appeared never to interview a single journalist who was named as a client of Steve Whittamore in the Motorman case and why they did nothing to look at the enormous amounts of material seized from Glenn Mulcaire? Does she agree that it would be unsatisfactory if these matters could not be looked at until the beginning of the second part of the judicial review? Will she consider inviting the IPCC to begin examining these questions now?

Mrs May: My hon. Friend makes an important point. As he says, part of the inquiry that is led by Lord Justice Leveson will involve looking at the first investigation by the Metropolitan police. It is not impossible for it to start doing some work while the current investigation is going on, but that would have to be done carefully in order not to jeopardise the current investigation. I am sure that we all want to see a proper investigation and a proper inquiry with answers about what happened in that first police investigation and about why matters were not taken forward in a way that people now feel they should have been. We also want to ensure that the current investigation is not in any way prejudiced by that work because we want people who have been guilty of criminal offences to be brought to book.

Glenda Jackson (Hampstead and Kilburn) (Lab): What pressure did the Prime Minister exert on the Home Secretary and the Mayor of London to bring about the resignations of both the commissioner and the assistant commissioner, which today, apparently, the Home Secretary regrets?

Mrs May: None whatsoever.

Nicholas Soames (Mid Sussex) (Con): Does my right hon. Friend agree that the Labour Government's failure to do anything about the Information Commissioner's report in 2006 was compounded by the fact that they backed down under the lobbying of the Society of Editors over clause 77 of the Criminal Justice and Immigration Bill, which means that a fine of £150 is the average fine for someone found guilty of stealing personal information? Will she review the section and see whether the offence should be made punishable by imprisonment?

Mrs May: My right hon. Friend makes an important point and reminds us that at stake are some very serious issues, not just about the operation of the police and of the press, but in relation to personal information. I will certainly look at the issue he raises. As I said, the trade in personal information was raised previously by the Information Commissioner as something that should be looked at, and we should take that forward.

Mr David Hanson (Delyn) (Lab): Will the Home Secretary ask Elizabeth Filkin, as part of her investigation, to report to the House of Commons on how many occasions the Chief Commissioner of Police did not brief the Prime Minister or herself because of information relating to the Prime Minister's relationship with Mr Coulson? Can she confirm that News International began to co-operate with the police inquiry only after Mr Coulson's resignation from Downing street?

Mrs May: In relation to Elizabeth Filkin and how she will undertake the role that she will be performing for the Metropolitan police, it is up to her to decide what she wishes to look at and how she wishes to undertake that. I detected, when I announced her name, a certain murmuring in the House. The reputation that Elizabeth Filkin has for challenging the establishment, challenging practices and ensuring that practice is appropriate and proper, and what she did here in Parliament, are such that she is an excellent choice as a candidate for the role.

Mark Pritchard (The Wrekin) (Con): Does my right hon. Friend share my concern about the serious allegations concerning a royal protection officer selling personal and private details of members of the royal family, including our Head of State, Her Majesty the Queen? What conversations has the Home Secretary had with the director of the Security Service concerning this incident? Is it not the case that the Security Service should have known about this? If it did not know, why not, and if it did know, why did it not do something about it?

Mrs May: Matters relating to appropriate royal protection are dealt with by a committee chaired by Sir Richard Mottram, which sits in the Home Office. All those considerations are undertaken independently by Sir Richard Mottram and his committee in relation to how royal protection should be carried out. Obviously, the issue will be looked into to see the truth or otherwise of those allegations.

Keith Vaz (Leicester East) (Lab): As the Home Secretary knows, both Sir Paul and Mr Yates are due to appear before the Home Affairs Select Committee tomorrow, when Members will explore their resignations further. I welcome the appointment of Tim Godwin and Bernard Hogan-Howe, but will the right hon. Lady confirm that Mr Hogan-Howe was the only applicant for the post of head of the National Crime Agency? Will she now have to look for a new person to head that organisation? Will she answer the question that I put to the Prime Minister last week? This information is coming out because of Operation Weeting and the excellent work by Sue Akers. Could we please give her the resources she needs in order to go through the 12,870 names that are still on the books but have still not been contacted?

Mrs May: I will make an announcement on the appointment of the head of the national crime agency when appropriate. In relation to resources for Sue Akers, as has been made clear and as the Prime Minister has made clear at the Dispatch Box on a number of occasions, this is one of the largest investigations taking place in the country. I am sure that everyone would agree that Sue Akers is pursuing the investigation with the appropriate degree of vigour, and I am sure that the Metropolitan police are ensuring that she has the necessary resources.

Mr Robert Walter (North Dorset) (Con): The commissioner placed great emphasis on the word "integrity" in his resignation statement, and yet in the eyes of some of my constituents payments and hospitality to police officers are no different from the £12,000-worth of hospitality that Sir Paul received. Was the commissioner in breach of the Metropolitan police code of conduct, and if not, what steps can we take to restore the integrity of the Metropolitan police?

Mrs May: Of course, Sir Paul made reference to this issue in the statement he published yesterday. As I indicated in my earlier response and in my statement, the Metropolitan police have been looking at the code that should be followed by officers and strengthening it in relation to the information that should be made available and should be publicly available.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Since Sir Paul Stephenson said in his resignation statement that he could not speak to the Prime Minister about Neil Wallis because of the Prime Minister's employment of Andy Coulson at No. 10 Downing street, and since the Prime Minister took Andy Coulson into his employment after Coulson had confessed to the Culture, Media and Sport Committee that he had committed criminality—namely, making payments to the police—ought not the Prime Minister be considering his position?

Mrs May: No, I have made very clear the difference between the Metropolitan police and the Government in relation to these matters. The right hon. Gentleman premised his question with the fact that the Home Secretary and the Prime Minister had not been told about the conflict of interest within the Metropolitan

police on Neil Wallis, but he will note, as I said earlier, that former Labour Home Secretaries were not told about the decision to appoint Neil Wallis either.

Mr Ben Wallace (Wyre and Preston North) (Con): Time and time again the Metropolitan police have failed to deal successfully with sensitive issues ranging from cash for peerages all the way through to the phone-hacking scandal. Is it not perhaps time to split the Metropolitan police between the day-to-day duties of policing London and those of carrying out more complex and detailed investigations, such as those that the special operations directorate conducts every day?

Mrs May: I thank my hon. Friend for his innovative approach to these matters. I have to say that there is no intention to split the Metropolitan police. It has been able to take on their national responsibilities, and it has those responsibilities not simply because of the issues that it is responsible for across the country, such as counter-terrorism, but because, as the police force of the nation's capital, it has of course national responsibilities that are greater than those of any other police force. I must say, as I said earlier, that the thousands of police officers and staff who day by day go about their duty protecting the public and fighting crime are doing a good job, and we should encourage them and ensure that they can continue to do so.

Mr Dennis Skinner (Bolsover) (Lab): Is it not a fact that the fire-storm that the Prime Minister referred to a few days ago has turned into a raging inferno around the Government's head? Murdoch's people are resigning and people are being arrested all over the place, and yet only one area remains intact: millionaires' row on the Government Front Bench. When is dodgy Dave going to do the decent thing and resign?

Mrs May: The hon. Gentleman started his remarks with the words "Is it not a fact that", to which my answer is no.

Mr William Cash (Stone) (Con): The Home Secretary referred to the interaction between the inquiries she has set up and the Leveson inquiry, and her references to the relationship between the police and the media are the right approach. Does she agree that, in the interests of clarity and accountability, to refer merely to the press in the Leveson inquiry would be unsatisfactory and that 17 Select Committee Chairmen, the chairman of the 1922 committee, the chairman of the parliamentary Labour party and the leaders of Northern Ireland, Scotland and Wales have all said that the Leveson inquiry should be extended to the media as a whole?

Mrs May: The terms of reference for the Leveson inquiry which my right hon. Friend the Prime Minister announced last week were agreed not only by the Government but in consultation with the Opposition and, as I understand it, with the Leader of the Opposition, and of course with Lord Justice Leveson himself.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): In her statement, the Home Secretary said that she is asking the chief inspector of constabulary to look at some serious issues at the Met, namely "instances of undue influence, inappropriate contractual arrangements and other abuses of power in police relationships with the media and other parties." That must involve a number of illegal actions and/or misconduct. Any chief officer who is aware of such things—illegal actions or misconduct—is legally obliged to refer the matter to the Independent Police Complaints Commission. Why is the Home Secretary not referring these matters there, where they can be properly investigated?

Mrs May: I think that the right hon. Gentleman might have slightly misunderstood the reference I made in my statement. I have asked HMIC to look widely across policing—not just at the Met—at issues of, as he says, "undue influence, inappropriate contractual arrangements and other abuses of power". As he says, if any officer is aware of an individual officer who has undertaken something that is an abuse of power, a complaint should be made to the IPCC, which will investigate complaints against individual officers. It does not currently have the power to investigate complaints about wider issues in relation to forces as opposed to individual officers. As well as asking HMIC to look at these issues more widely, because there are other examples of this sort of concern in other constabularies, I am asking the IPCC whether it needs further powers and what we should be doing to ensure that it can investigate more widely across forces rather than just individual officers.

Dr Andrew Murrison (South West Wiltshire) (Con): By any reasonable international comparison, the probity and integrity of our policemen and policewomen is unsurpassed, and the Home Secretary rightly paid tribute to them today. Does she agree that we should lose no opportunity to articulate our support for them since their morale and self-confidence are likely to be severely dented by this crisis?

Mrs May: Indeed. My hon. Friend makes a very important point. As I said at the police bravery awards a couple of weeks ago, we have the finest police officers in the world—I believe that—but it is our duty to all those honourable, hard-working police officers and staff across the country to ensure that we get to the bottom of these allegations and sort this all out.

Paul Goggins (Wythenshawe and Sale East) (Lab): The year 2012 was always going to be a very challenging one for the Metropolitan police, with the Olympic games, with convicted terrorists returning home from prison, and with relocated suspects being allowed to go back to their own homes. Given the events of the past 24 hours, will the Home Secretary now give urgent consideration to delaying the implementation of the new, weaker terrorism prevention measures in order to reduce risk and give the new commissioner time to prepare properly?

Mrs May: The right hon. Gentleman knows that the package that was agreed involves not just the TPIMs—terrorism prevention and investigation measures—but extra money, with tens of millions of pounds for the Security Service and the police to put in place extra surveillance so that they are able to mitigate any risk that has come about through the change in those orders. Yes, next year will be a challenging year. The Met police have themselves accepted and said publicly that it will be a very challenging time for them in having to ensure

[Mrs May]

the security and safety of the Olympics. That has been worked on for several years—it is under the very competent leadership of Assistant Commissioner Chris Allison—and extremely good work has been done, but we continue, of course, to ensure that we are putting in place what is necessary to do what we all want to do, which is to ensure that everybody can enjoy a secure and successful games.

Dr Julian Huppert (Cambridge) (LD): For decades, all across the country, the media have had the uncanny ability to show up at an arrest or another police incident. While I am sure that most of the police would never take part in this, can the Home Secretary assure me that we will be looking across the country, wherever this happens, and keeping an eye out for other such suspicious coincidences of a TV camera showing up just in time?

Mrs May: My hon. Friend makes a very important point. I can assure him that this issue is being taken into account in the various inquiries and investigations.

Mr Nigel Dodds (Belfast North) (DUP): At this time of unprecedented chaos within the Metropolitan police, and given the Met's national responsibilities for national security, are not the public right to feel concerned that it has taken its eye off the ball when it comes to protecting citizens against terrorism? What is the Home Secretary going to do to reassure people that the Met is on top of its game in terms of protecting the public against the threat of terrorism both here in the United Kingdom and from abroad?

Mrs May: The work that has been done by the Met, indeed led by Assistant Commissioner John Yates, on counter-terrorism policing has been important. Counter-terrorism policing has improved over the years and extra resources have been put in, which has been beneficial in keeping this country safe. The Metropolitan police have moved quickly to ensure that there is an immediate appointment to replace Assistant Commissioner John Yates in Assistant Commissioner Cressida Dick. I am sure that she will take this work forward every bit as effectively as has been done previously. I assure people that the eye has not been taken off the ball; we are very conscious of the duty to protect the public, be it from criminals or terrorists.

Nicola Blackwood (Oxford West and Abingdon) (Con): I thank the Home Secretary for her statement and welcome her comments about strengthening the powers of the IPCC. However, given that the circumstances surrounding these resignations will have further undermined public confidence in the police, will she tell the House what steps the Met will be taking to put things right as we await the outcome of the public inquiry?

Mrs May: Indeed. When Tim Godwin takes over as acting commissioner, he will obviously want to consider the steps that the Met can take, as he already has been doing, such as being more transparent about relationships with the press. Crucially, Elizabeth Filkin is being brought in to advise the Met on such matters, so that it can show the public that it has changed the way it deals with these things and increase the public's confidence. It is also important to have the additional resilience that is brought by somebody coming in from the outside, so Bernard Hogan-Howe will take on the responsibilities of a deputy commissioner to enhance that work.

Mr Michael Meacher (Oldham West and Royton) (Lab): *The Guardian* produced abundant evidence several months ago that in handling phone hacking at the *News of the World*, the police had cut short their original inquiry, suppressed evidence, misled the public and the press, concealed information and broken the law. Why did the Home Secretary not take action then, when it was already perfectly clear that something was going terribly wrong at Scotland Yard?

Mrs May: The initial *Guardian* story that required investigation actually came in July 2009 under the last Government. That was looked at to see whether there was fresh evidence and a decision was taken that there was not. In September 2010, a question was raised about stories that had appeared in the American press. Again, that was looked at to see whether there was fresh evidence. At the time—*[Interruption.]* The right hon. Member for Oldham West and Royton (Mr Meacher) asks what I did. I will tell him what I did. At that time, I came to this House and said that it was up to the police to investigate the matter and that it was not for politicians to tell police officers who or what to investigate. I said that the police should investigate any evidence, wherever it took them, and ensure that anybody who was guilty of criminal offences was properly brought to justice.

Claire Perry (Devizes) (Con): This scandal has run over two Governments and three Prime Ministers. Does the Home Secretary agree that the focus of every Member of this House should be on trying to get to the truth and to find a solution to this problem—we are on the front foot finally—rather than on playing the clapped-out political blame game so beloved by the Labour party?

Mrs May: My hon. Friend makes an important point. She reminds the House that our prime duty and responsibility is to restore confidence in the police so that people feel that the police are doing their job appropriately and properly. There are thousands of honourable policemen and women who are continuing to do their job and we should support and encourage them. We need to get to the bottom of these allegations so that the public truly can have full confidence in what the police are doing.

Steve McCabe (Birmingham, Selly Oak) (Lab): Given the Home Secretary's fulsome praise for Assistant Commissioner Chris Allison, should I assume that she will back his call for a delay in cuts to specialist posts, particularly public order posts, until after the Olympics?

Mrs May: Of course we have reviewed the requirements for Olympic security, and we did an audit of it when we came into government. In the run-up to the Olympics we will continue to ensure that the resources that are available and the measures that are taken will provide a secure and safe games.

Mark Reckless (Rochester and Strood) (Con): Is the Home Secretary aware of the statement that Sir Paul made at the conference of the Association of Chief

Police Officers in July 2009, which suggests that it was not John Yates who limited the review then to less than a day but the commissioner himself?

Mrs May: I thank my hon. Friend for making that point. As he will know as a member of the Home Affairs Committee, the Committee will have a chance to question both Sir Paul Stephenson and John Yates tomorrow at its further meeting.

Kate Hoey (Vauxhall) (Lab): Does the Home Secretary have any concern that the basic principle that someone is innocent until they are proven guilty in a criminal court has been thrown out of the window?

Mrs May: That is an important principle on which we must base what we do. That is why I try not to comment on things until I have seen the evidence on matters of concern. It is of course true that these investigations must be followed through properly and fully, so that those who are guilty can be brought to justice and any speculation about those who are innocent can be cleared up.

Charlie Elphicke (Dover) (Con): The allegations that payments were made improperly to the police were first made in 2003. The House needs to know what action was taken by the Home Office and by successive Ministers over the period since that date. Will the Home Secretary do a review and make a report to Parliament?

Mrs May: I thank my hon. Friend. As I indicated in my response to the shadow Home Secretary, there were indeed a number of times under the last Government when these issues and concerns were raised and no action was taken.

Chris Ruane (Vale of Clwyd) (Lab): The Metropolitan police have had the names of thousands of UK citizens whose phones have been hacked into for a very long time. Have all the people who have had their phones hacked into been informed of it by the police?

Mrs May: I simply say to the hon. Gentleman that the Metropolitan police's current investigation has made it clear, as I understand it, that it is going through the names on lists. I caution him on his assumption that everybody whose name appears on a list has necessarily "had their phone hacked into", in his terms, but that is being looked into by the current investigation. It is clear that it is alerting people when it finds evidence.

Michael Ellis (Northampton North) (Con): In May 2006, five-plus years ago, the Information Commissioner issued a report stating that the trade in confidential personal information was "pervasive and widespread". In view of the rather self-righteous tone taken by the Opposition, is the Home Secretary surprised that the then Government did not order an inquiry into the matter?

Mrs May: As I said earlier, it is surprising that Opposition Members who are making so much noise about what has happened now seem conveniently to forget that their Government failed to take action despite a number of issues being raised directly with them.

Mr Gerry Sutcliffe (Bradford South) (Lab): Returning to the security of the Olympics, is it not time that a pause was taken, given the evidence presented to the Terrorism Prevention and Investigation Measures Bill Committee by Assistant Deputy Commander Osborne that it would take 12 months to get the resources in place to deal with the new TPIMs? Is it not time, now that we have lost the two most senior officers in counter-terrorism, to call a halt to those measures until after the Olympic and Paralympic games?

Mrs May: We have of course been discussing with the Metropolitan police and the Security Service the arrangements that will be in place as a result of the extra finances available for surveillance when the TPIMs come in. I can assure the hon. Gentleman that we have discussed the matter with the Metropolitan police, and it is clear that measures will be in place for an appropriate transition from control orders to TPIMs.

Gavin Barwell (Croydon Central) (Con): I thank my right hon. Friend for paying tribute to PC Wayne Stevens, who was shot while on duty on the streets of Croydon on Friday night.

As a London MP, my concern is that the Met has sufficient resources to do the job of patrolling the streets of London, and that the two investigations are robustly pursued so that we find out exactly what happened and anyone guilty of a crime is brought to justice. Can my right hon. Friend assure me that, working with the Mayor, she will ensure that that is the case?

Mrs May: I can assure my hon. Friend that we do of course talk to the Metropolitan police about the resources that it has available and the way in which it chooses to police the streets of London. If I may say so, one thing that Sir Paul Stephenson did was significantly to increase the amount of time available for patrol by moving to single patrols, which has been a very important step in improving the time for which officers are actually out on the front line.

I again pay tribute to the police constable who was shot three nights ago. It is very easy for the House to forget the danger that police officers put themselves in day in and day out to keep the public safe, and we should thank them for it.

Jeremy Corbyn (Islington North) (Lab): In the Home Secretary's statement, she said that she was sorry that Sir Paul Stephenson had to resign. Does that mean that she thinks he should not have resigned and that he should have carried on, despite this cloud around his head? Could she explain what her thinking behind that is, or is it crocodile tears to cover the fact that she asked him to resign?

Mrs May: On the last point, can I assure the hon. Gentleman that I did not ask Sir Paul Stephenson to resign? As far as I am concerned, nobody asked him to resign: the decision was taken by Sir Paul Stephenson. I am sorry that he decided to resign—I have said that several times, and have made that clear. Under his leadership, the Met has done excellent work in protecting the public, and in cutting and fighting crime. He led the Met through some very difficult times. He took it over at a difficult time, and I think he has made the force operationally stronger.

Duncan Hames (Chippenham) (LD): In the light of the concerns raised by this issue, what action does the Home Secretary expect of police authorities outside London to root out inappropriate practices and to restore public confidence in the independence of their forces?

Mrs May: I would hope that police authorities will have been considering the issues that have been raised, and that they will give full and proper support to the review that the inspectorate of constabulary will do on this issue in police forces across the country.

Chris Leslie (Nottingham East) (Lab/Co-op): The Home Secretary says that she did not know about the appointment of Mr Neil Wallis to the Metropolitan police. Did Andy Coulson know, and did the Prime Minister know?

Mrs May: I might remind the hon. Gentleman and the House that in fact, the appointment of Neil Wallis—or, to be correct, of Chamy Media—was undertaken not under this Government, but in September 2009, under the previous one.

Graham Evans (Weaver Vale) (Con): The whole House will remember when Damian McBride planned to smear the wives and families of Opposition Members. Does my right hon. Friend the Home Secretary agree that those who live in glass houses should be more careful about throwing stones?

Mrs May: I entirely agree with my hon. Friend, and as I pointed out to the shadow Home Secretary, the communications director advising the Leader of the Opposition is a former News International employee, Tom Baldwin.

Mike Gapes (Ilford South) (Lab/Co-op): In view of the remarks of the Mayor of London—he said that the phone hacking allegations were "politically motivated" and "codswallop"—does the Home Secretary believe that he is a fit and proper person to be involved in the appointment of the commissioner of the Metropolitan police?

Mrs May: Yes.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Given that Sir Paul and Mr Yates resigned from the Metropolitan police, will my right hon. Friend the Home Secretary clarify whether they can take up any other policing position, including with ACPO or any other policing agencies?

Mrs May: Normally, officers who serve in ACPO are serving officers rather than people who have retired. Therefore, I think Sir Paul Stephenson and Assistant Commissioner Yates will not be taking up any such places.

Malcolm Wicks (Croydon North) (Lab): May I first echo the words of my neighbour, the hon. Member for Croydon Central (Gavin Barwell)? Obviously, our thoughts are with our police officer from Croydon and his family at this difficult time.

May I put it to the Home Secretary that many Londoners are confused about the respective roles of the Home Secretary, the Mayor and the Metropolitan Police Authority? Who in our democracy is ultimately responsible and accountable for the conduct and integrity of the Metropolitan police?

Mrs May: I say to the right hon. Gentleman that the legislation under which Londoners are confused was introduced by the Government in which he was a Minister. This Government are now clarifying the position under the Police Reform and Social Responsibility Bill. We will streamline the arrangements that exist in relation to appointments and the position of the police and crime commissioner in London. However, the appointment of the commissioner and deputy commissioners will remain, as it is today, a final decision of the Home Secretary.

Bob Stewart (Beckenham) (Con): As I understand it, Lord Justice Leveson's terms of reference are restricted to phone hacking. I wonder whether it is possible for the inquiry to look also at hacking into e-mails and the illegal acquisition of information such as medical documents.

Mrs May: My hon. Friend is not the first to raise the issue of the remit of the Leveson inquiry. It will cover the culture, practices and ethics of the press, as well as the relationship of the press to the police and issues of regulation. So I would expect that it would indeed be able to look wider than just the issue of phone hacking.

Mr Chuka Umunna (Streatham) (Lab): I note that the Home Secretary did not answer the question from my hon. Friend the Member for Nottingham East (Chris Leslie) about whether the Prime Minister knew that Neil Wallis was working for the Met and/or whether Andy Coulson knew the same. Could she perhaps respond and let us know that answer to that question?

Mrs May: I must say to the hon. Gentleman that so far as I am aware, no, they did not know.

Jason McCartney (Colne Valley) (Con): An experienced columnist from *The Guardian* said on the BBC yesterday that to the best of her knowledge she believed that the passage of information between journalists and the police was common and widespread. Does the Home Secretary agree that the police investigation should go wherever it leads and follow through all leads on that matter?

Mrs May: My hon. Friend is absolutely right. It is important that, whatever the evidence shows, the police investigation is able to follow the leads to the rightful conclusion without fear or favour, and that they ensure that wherever it leads proper action is taken and people who have committed criminal offences are properly brought to justice.

Hywel Williams (Arfon) (PC): The Mayor of London said this morning that Sir Paul had taken a very brave individual decision. Is the Home Secretary confident that that is the most accurate, appropriate and apposite description of the events leading up to that resignation?

Mrs May: I have made my position on Sir Paul Stephenson's resignation absolutely clear. In his time in office at the Metropolitan police he has strengthened the force operationally, and under his leadership it has been effective and done excellent work in cutting crime and protecting the public.

Nia Griffith (Llanelli) (Lab): Given that the Mayor of London actively discouraged the reopening of the police inquiry by referring to the phone-hacking allegations as "codswallop" and a Labour plot, what inquiries will the Home Secretary make into what advice the Mayor took before making those views known and using his influence in that way?

Mrs May: The advice that the Mayor takes is a matter for him.

John Mann (Bassetlaw) (Lab): When did Mr Ed Llewellyn pass on the *Guardian* dossier to the Home Office?

Mrs May: I am not aware that there was a *Guardian* dossier. There was information that was generally available to the public, as I understand it. There is an issue here about the role of the Home Office that Opposition Members sometimes fail to grasp. It is not the job of politicians to tell the police who to investigate or arrest. It would be a very sorry day for our police and our democracy if we ever went down that road.

John Woodcock (Barrow and Furness) (Lab/Co-op): Did the Home Secretary raise any concerns to anyone about bringing Andy Coulson into the heart of Government and, if not, does she now regret that failure to speak up?

Mrs May: I have made clear the difference between the Metropolitan police and the Government. The Prime Minister has answered the point about Andy Coulson. He did that last week and he made it absolutely clear that he gave Andy Coulson a second chance. That did not work out and Andy Coulson resigned again.

Toby Perkins (Chesterfield) (Lab): The Home Secretary finally made us aware that she was not told if the Prime Minister knew about Neil Wallis's employment. Can she confirm whether Andy Coulson knew about the employment of his former deputy by the Metropolitan police?

Mrs May: I have been asked that question and I have answered it.

Mr Denis MacShane (Rotherham) (Lab): Before Wednesday's debate, would the Home Secretary have the kindness to place in the Library details of all communications, in writing or by phone or e-mail, between Andy Coulson and her private office since she took up the post of Home Secretary?

Mrs May: The right hon. Gentleman, like a number of his colleagues, is seeming to focus purely on Andy Coulson. I say to him and Members of the House that we have a serious job to do—to ensure that we restore confidence in the Metropolitan police and the police generally and to deal with allegations over the operations of the police. We owe it to the public and to the honourable police officers in the Met and other forces in the country to do that seriously, to consider all the allegations and to ensure that they are followed through and dealt with.

Kevin Brennan (Cardiff West) (Lab): Were there any meetings between Neil Wallis and Andy Coulson while the latter was working for the Prime Minister at No. 10 Downing street? If the Home Secretary cannot give us that information now, will she undertake to give it to us later?

Mrs May: No, I cannot give the hon. Gentleman that information. It is not the sort of information that is available to me. I would point out to him that for the first part—considerable part—of the period when Neil Wallis was in his advisory capacity to the Metropolitan police, the Labour party was in government.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): May I make a statement of the obvious? The Home Secretary has been chasing this issue from day one. She got it wrong on phone hacking, she got it wrong on a judge-led inquiry and it has taken two high-profile resignations to place just a semblance of respectability on an affair that every dog on the street knows stinks. Is it right that Sir Paul Stephenson resigns for Neil Wallis, but the Prime Minister gets off scot-free for hiring not the monkey but the organ grinder, Andy Coulson?

Mrs May: I am not sure that there was actually a question in all that. I remind the hon. Gentleman that, as I said earlier, in 2002, the Culture, Media and Sport Committee reported that the press were making illegal payments to police officers and called on the then Home Secretary to review and, if necessary, overhaul the guidance and measures aimed at preventing such behaviour by the police and media. The Labour Government did absolutely nothing.

Chris Bryant (Rhondda) (Lab): I am afraid that I welcome the two resignations today because I think that Assistant Commissioner Yates, by his own admission, misled Parliament; because the relationship between the *News of the World* and the Metropolitan police became so close as frankly to be collusive; and because we had this ludicrous situation in which Andy Hayman was leaving the employment of the Metropolitan police to work for News International and Neil Wallis was leaving News International to work for the Metropolitan police. That cannot be good for the Metropolitan police in the end. I know that the Home Secretary cannot tell anybody what investigations to undertake, but will she ensure that there is a proper investigation into the Surrey police and what happened between the police officers in charge of the investigation following Milly Dowler's disappearance and death and *News of the World* and other journalists at the time? I do not think that the collusion was only in the Metropolitan police.

Mrs May: A number of concerns have been raised about issues in other forces relating to contractual arrangements, employment arrangements and other matters. That is why I am asking HMIC to look at these issues more closely across policing, including at issues of abuse of power.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): The Home Secretary rightly said in her statement that confidence in the police—for both the public and serving police officers—must be of paramount concern in getting to the bottom of these allegations. She has just shared with the House information about other police forces, but has she had any contact with the Scottish Justice Minister, Kenny MacAskill, about how these types of inquiry can range across Scottish police forces as well as those for which she is directly responsible?

Mrs May: I have not had such interaction with the Scottish Justice Minister, but I am happy to alert him to the steps that we are taking in relation to forces in England and Wales so that he may look at that in relation to Scottish forces.

Mr Wayne David (Caerphilly) (Lab): Looking ahead to Wednesday, may I urge the Home Secretary to have a word with the Prime Minister to ensure that as well as making a statement he will also lead the debate?

Mrs May: Hon. Members have asked that the Prime Minister comes to the House on Wednesday. He will be doing that.

Barry Gardiner (Brent North) (Lab): The right hon. Lady has sought to distinguish the probity of the appointments made by Sir Paul Stephenson and those made by the Prime Minister on the grounds that there is a proper distance between those being investigated and those doing the investigation. Does she agree that there should also be a proper distance between the law-makers in this country and those suspected of lawbreaking?

Mrs May: I say what I said earlier about the difference between the Government and the Metropolitan police. The Metropolitan police were in the process of investigating —or had been investigating—the *News of the World* for alleged wrongdoing. It is right, therefore, that we should look at drawing a line between the investigators and the investigated.

Helen Goodman (Bishop Auckland) (Lab): There seems to have been an exchange of staff between the Metropolitan police and News International. Last week, I asked the Minister of State, Cabinet Office whether former police officers were subject to the rules of the Advisory Committee on Business Appointments. He has written to me saying that he does not know. Can the Home Secretary say what the current rules are and whether Mr Hayman followed them?

Mrs May: Perhaps the hon. Lady should have raised that with the last Cabinet Office Minister, under the last Government, because that was when those issues arose.

Bill Esterson (Sefton Central) (Lab): If Sir Paul Stephenson was right when he said that he made an error of judgment in his appointment of Neil Wallis at a time when he had not been implicated in phone hacking, what does that say about the Prime Minister's judgment in appointing Andy Coulson at a time when he had already resigned once over the very same issue?

Mrs May: I suggest that the hon. Gentleman could have listened to the answer that I have already given—on a number of occasions now—about the difference between the Government and the Metropolitan police. Of course, the point is that the Metropolitan police are responsible for investigating allegations of potential wrongdoing at the *News of the World*.

Mrs Madeleine Moon (Bridgend) (Lab): The stench that arises from the rotting drains underneath this Chamber seems to be an apt background to a lot of the debate that we have had today. Over the weekend, we had the arrest of Rebekah Brooks, ahead of her giving evidence to the Culture, Media and Sport Committee on Tuesday. I appreciate that the Home Secretary says that it is not up to her to say who is arrested or when, but is it not time that we clarified the role of police investigations and investigations conducted by Select Committees for those investigations being conducted in both places?

Mrs May: I think the hon. Lady will find that Select Committees are very clear about the role and the powers that they have. What is important is that police investigations that could lead to criminal charges and prosecution are not prejudiced in any way by other investigations that take place. That is why we are being very careful in relation to the inquiry that is being led by Lord Justice Leveson. The hon. Lady also refers to needing to clear out the drains. Obviously the drains have not been cleared out for a number of years, but this Government are doing it.

Ian Lucas (Wrexham) (Lab): Which individual police officer made the decision to employ Neil Wallis's company?

Mrs May: As I understand it, the decision was made by the director of public affairs, not an individual police officer in the Metropolitan police.

Defence Transformation

4.48 pm

The Secretary of State for Defence (Dr Liam Fox): I wish to express my condolences to the family and friends of Lance Corporal Paul Watkins of 9th/12th Royal Lancers, who was killed in Afghanistan on Saturday. My thoughts and prayers—and, I am sure, those of the whole House—are with them at this very sad and difficult time for them.

I wish to make a statement on the next steps in implementing the strategic defence and security review. This Government inherited both a national economic disaster that represented a strategic threat and a defence programme undermined by a £38 billion black hole. Without a fundamental review for 12 years, our armed forces were still largely configured for the 20th century, despite a decade of sustained operations in Afghanistan and Iraq. The failure to set out a coherent long-term strategy for defence or to match commitments effectively to resources is one of Labour's worst legacies. However, it is not enough to deal with the mess that we inherited; we also need to build something better for the future.

Right from the start, this Government have been determined not to repeat the mistakes of the past, and to make the difficult decisions that were ducked by the previous Government. We are determined to be bold and ambitious and to build formidable, well-managed armed forces structured for the rigours of future conflict and supported by an affordable defence programme. The SDSR has mapped out our long-term goal for Future Force 2020. The report of the defence reform unit that I announced to the House on 27 June was part of that process. Today, I want to set out the next phase of defence transformation, which involves bringing the Army back from Germany, creating a better future for our reserve forces, and delivering on our commitment to agree a 10-year defence equipment budget.

I have written to Members of both Houses and the devolved Administrations whose constituencies and interests are affected by the decisions that we have taken. Commitments must match resources in order to achieve a balanced budget. As part of the preparation for this year's planning round, we have identified a number of adjustments to the defence programme. This includes rationalising vehicle acquisition to make the best use of those that we have already procured to support operations in Afghanistan, and continuing to bear down on non-front-line costs, where we will aim to deliver further substantial efficiencies in support, estate spending and IT provision.

Against this background, and as part of our overall approach to balancing the programme, I have agreed with the Treasury that the Ministry of Defence can now plan on the defence equipment and equipment support budget increasing by 1% a year in real terms between 2015-16 and 2020-21. I am grateful to colleagues, and particularly to the Prime Minister, for their support in this process. Such a long-term planning horizon will give greater stability and predictability, and stop the old practice of simply pushing programmes into future years. These and other changes will enable us to proceed with a range of the high-priority programmes set out in the SDSR.

I can therefore now give the go-ahead for the procurement of 14 additional Chinook helicopters, the upgrade of the Army's Warrior vehicles, spending on the joint strike fighter, the procurement of the Rivet joint intelligence and surveillance aircraft, the cats and traps for the Queen Elizabeth class carriers, and the development of the global combat ship. This equipment can now be bought with confidence, ending a decade of uncertainty for our armed forces and for industry. However, similar discipline will be applied in future: we will order only what we can afford to buy.

Today I am placing in the Library the report of the review into the reserve forces, "Future Reserves 2020". I would like to thank General Sir Nick Houghton, Lieutenant-General Graeme Lamb and my hon. Friend the Member for Canterbury (Mr Brazier) for their excellent report. The report makes it clear, and I fully agree, that our reserve forces make an outstanding contribution to operations but have been shamefully neglected in recent years. For example, by some estimates, the Territorial Army has a trained and active strength as low as 14,000.

I am therefore pleased to announce that the Government will proceed with a £1.5 billion investment package over the next 10 years to enhance the capability of the reserves and consequently increase their trained strength, £400 million of which will be spent during this Parliament. The Government will work with employers and legislate if necessary to ensure that the reserves are more readily useable on operations. This significant investment will also build up the capacity of the reserves to contribute to homeland security consistent with the adaptive posture set out in the SDSR.

As the capability of the Territorial Army improves, this will allow a progressive adjustment of the regular-reserve balance of the Army while maintaining the land forces capability set out in the SDSR. This will include the delivery of the multi-role brigade structure of Future Force 2020. By 2020, if the Territorial Army develops in the way we intend, we envisage a total force of around 120,000, with a regular to reserve ratio of around 70:30. This will be more in line with comparable countries such as the United States, Canada and Australia.

Let me turn to basing. The decisions that we have taken in the SDSR to reduce aircraft types, bring the Army back from Germany and form the Army into five multi-role brigades will enable us to rationalise the defence estate and dispose of high-value sites that are no longer needed. The security of the nation and the requirements of defence were paramount in our analysis, but we have also considered the impact of changes on local communities, the impact on service personnel and their families, and the current pattern of the armed forces in Britain.

Army brigades currently stationed around Catterick and Salisbury will make up three of the five multi-role brigades. The other two MRBs will be based in the east of England, centred on Cottesmore, and in Scotland, centred on Kirknewton, south-west of Edinburgh. The MRB centred in Scotland will require a new training area, and positive discussions are being taken forward with the Scottish Government. Two major units and a formation headquarters will be based at Leuchars, increasing the number of posts there from 1,200 to more than 1,300. Consequently, the Typhoon force due to be built up there will instead be built up at RAF Lossiemouth. Other MRB units will be moved into Glencorse, Caledonia,

[Dr Liam Fox]

Albemarle barracks and eventually Arbroath, as we intend over time to bring the bulk of the Royal Marines together in the south-west. We are also planning to place Army units in Kinloss in around 2014-15, continuing its long-term relationship with defence.

Taken together, this represents a significant increase in the defence footprint in Scotland of well over 2,000 posts. This is in line with the Scottish tradition of supporting our armed forces and is a recognition that these are United Kingdom forces under the Crown, protecting the citizens and interests of this United Kingdom. With the move to five multi-role brigades, we have concluded that 19 Light Brigade in Northern Ireland will be disbanded. Other units returning from Germany will move into the vacated bases and we remain committed to maintaining a permanent military garrison in Northern Ireland; 160 Wales Brigade will remain in Brecon.

We will retain St Athan at its current size for now, but intend to increase its usage to take full advantage of the excellent facilities there. RAF Marham will remain as a base for Tornado GR4. The defence technical training programme will move to Lyneham, guaranteeing its future. More details of these and other estate-related decisions are in the written statement I have laid today. The planning work, including the investment required to adapt sites, will now get under way, based on this strategic direction. It will involve consultations with local communities as appropriate and other statutory obligations that we will need to fulfil.

I am very conscious of the uncertainties that these changes will cause for service personnel and their families. Let me reassure them that the majority of the moves I have announced today will take place after 2015. In both basing and reserves, we have sought wherever possible to strengthen the strong and natural links between local communities and the armed forces. I do not underestimate the importance of these ties in underpinning the military covenant.

The overall package I have announced today is good news for our armed forces and means that they can look forward to the future with renewed confidence because the defence programme I have announced is underpinned with real resources. This investment in people and equipment is not the wish list of the past, but certainty for the future. I commend these decisions to the House.

Mr Jim Murphy (East Renfrewshire) (Lab): I join the Secretary of State in offering condolences to the family and friends of Lance Corporal Paul Watkins, who was tragically killed in Afghanistan over the weekend.

Last week, I offered wide and warm welcome to the Secretary of State for his thoughtful announcements on the Mull of Kintyre. Today, I am afraid, the right hon. Gentleman has chosen to take a different approach. The Government have been grappling with four big policy areas over the past few months: the RAF basing review, reserve forces, the financial settlement and proposed cuts to the Army. Each of those issues is of national importance and each is deserving of a statement in its own right, yet the Secretary of State comes here in what he thought was to be the last full day of Parliament to cram them into one 10-minute speech. This is a shabby way to treat our forces, and a shabby way to treat this Parliament.

The Government have chosen today, at the high point of one of the biggest political crises in decades, to bury this bad news of 10,000 cuts to the Army—a decision that will not take effect for many years to come. Why are the Government again blaming others? These announcements today are their cuts and their choices. The Secretary of State has announced cuts to the Army of 17,000—just under a sixth of the entire force in just 10 short months.

When in opposition, the Secretary of State said:

"In the real world the only logical conclusion you can come to is that the army is already too small"—

and he went on to demand

"A bigger Army for a safer Britain".

Today, however, he has announced a smaller Army for a country that we can assume he sees as having only smaller ambitions—from a party that promised thousands of extra troops. It is hard to conclude other than this is strategic shrinkage by stealth. Today's cut in the Army is bigger than the entire current deployment of all UK forces in Afghanistan. Will the Secretary of State explain why he believes it is in Britain's strategic national security interest to have an Army so dramatically reduced in size? Will he also say whether this announcement is a result of planning round 11 having been completed?

We welcome any additional investment in our armed forces, and the £1.5 billion from the Treasury is good news, as is the announcement about St Athan. Many of the new capabilities were frozen in the Government's defence review. We will look at the small print with renewed care, which we have learnt to do in recent months. Notwithstanding last week's trumpeted announcement on the extension of the operational allowance to Operation Ellamy, hundreds of our forces in Libyan operations will not receive a single penny.

Reservists are great patriots, and provide a bridge to our communities at a time when many people have little understanding of or connection with a large number of our armed forces. They serve with enormous bravery, and we should pay permanent tribute to those who have fallen in Iraq and Afghanistan. There would, of course, be concern if bespoke standing units of reservists became the norm, as that could increase the commitment required from civilians. What assessment has the Secretary of State made of the impact of today's announcement on retention and recruitment, and how does he address the fear that his approach will undermine the "one Army" concept?

Reform of the defence estate is important to ensuring that our armed forces are properly provided for, but there will be fury in Fife. The RAF has been based in Leuchars for more than 70 years, and it is a matter of deep regret that the Government have chosen to break an historic link that has served the nation so well in peace and in war. It is clear that they have not done their homework. They are closing an RAF base to make savings that they have not identified, and are redeploying the Army at costs that they have not quantified. Will the Secretary of State say how much it will cost to convert the RAF base into an Army garrison—because there will be substantial upfront expenditure—and will he guarantee that there will no period without a military presence at Leuchars, which would have a huge impact on the local communities? Will he also commit his

Department to detailed research on the defence estates and the industrial footprint of United Kingdom defence in Scotland?

Following the defence review, it is clear that the country is engaged in events that Ministers did not foresee and reliant on equipment that Ministers planned to scrap. We now have a defence policy based on assumptions that are completely out of date. It seems that the Government are starting to face up to the inadequacy of their own defence review. Surely now is the moment for them to think again, and properly to reopen that flawed and rushed review.

Dr Fox: That was one of the poorest attacks on a Government that I have ever heard. It is pretty rich for the Opposition, after calling for the statement for so long, to complain when we make it. They also seem to be utterly incapable of understanding, even now, the appalling financial state in which they left not only defence but the United Kingdom in general. Does the right hon. Gentleman really think that had we been given a choice—had we not faced a national economic emergency—we would be making spending reductions across the board? We are having to do that because of the mess that the Opposition left behind.

When it comes to numbers, yet again the Opposition seem not to have learned any lessons. They talk about total numbers all the time, but they do not talk about deployability. Yet again they have failed to learn the lessons of the mistakes that they made during their time in office. I want to see British forces that can be deployed better, and I want to see them better trained and properly equipped. When they talk about how much they value the TA, the Opposition would do well to remember that it was they who were cutting the reserves during their last months in office. It was they who were cutting reservists' training and allowances to save small amounts of money. We do not need any lessons from them in that regard.

We are trying to augment the "one Army" concept by ensuring better interoperability between our reserves and our regular forces. We want our reserves, like those in other countries, to be properly used in a way that gives good value for the investment made in them, and gives them a greater say and more respect within the military family.

Investment had already been made in Leuchars, and I fully accept that some of that investment will be lost. However, we felt that—in the broader scheme of things, and if we were to achieve a better rationalisation of the estate—Lossiemouth was the better choice, given that we had an alternative for Leuchars in the form of investment in the Army in the south of Scotland.

The right hon. Gentleman asked about the footprint in Scotland. I should be happy to look at our footprint across the United Kingdom. What we have done is return to Scotland a footprint that is much more akin to what was there when we left office than to what was there when we returned to it.

Nicholas Soames (Mid Sussex) (Con): I warmly congratulate my right hon. Friend the Secretary of State on his important and impressive announcement. Contrary to what the right hon. Member for East Renfrewshire (Mr Murphy) said, the Army will discover that the RAF bases into which it moves are very much better found than it is used to. Does the Secretary of State agree that the transformation and whole reform of the defence structure needs to proceed at a great pace, otherwise the rats at the Ministry of Defence will get at it?

Dr Fox: I would like to say that I am rat-proof, but that would probably be tempting fate. We have set out a path that we will clearly follow, from the defence reform set out by Lord Levene, through the basing review, which we have set out today, and through the reserves review and the extra investment that goes with that. It is correct that some of that will have to proceed quickly, but it is also correct that some of it can occur only if other steps are met. For example, the assumptions we make about Future Force 2020 and the size of the regular reserve ratio will depend on two things: that we ensure that the training and equipping of the reserves goes to the plan I have set out, and that we withdraw from Afghanistan in the time scale the Prime Minister has set out.

Mr Bob Ainsworth (Coventry North East) (Lab): Will the Secretary of State not even acknowledge—these words have not crossed his lips—that his announcement today effectively brings the cuts in the regular Army to in excess of 17,000? That comes on top of the cuts he has announced to the RAF and the Navy, and on top of the cuts he has announced to the Royal Marines, because no Minister has been prepared to acknowledge that not only has 19 Light Brigade been disbanded, but so too has 3 Commando Brigade. The Secretary of State is telling the House that we cannot afford—*[Interruption.]* Well, if Ministers are going to tell us that 3 Commando Brigade still exists, I want the Secretary of State to stand up and say that, because it does not—and if the Minister for the Armed Forces does not even know that, he should not be in his job. Members on both sides of the House worry that it is not the strength that we cannot afford, but it is the weakness that we potentially cannot afford, and we have not had any debate about this massive demise in our military capability. The strategic defence and security review did not provide such a debate, but we surely need it now.

Dr Fox: It defies belief that senior former Ministers of the previous Government can still come to this House and demand that we spend money that is not there. The right hon. Gentleman complains about cuts, but I have to point out to him that we have had to introduce cuts right across public spending because the previous Government left us with a £158 billion annual deficit, and what he calls the equipment programme was no more than a wish list at the MOD; there was no money in the pipeline for it. The programmes I have announced today—the 14 Chinooks, for example—I have been able to announce because there is real money there; they were never able to make such announcements because of their incompetent management of both the Department and the economy.

Sir Menzies Campbell (North East Fife) (LD): Elements of air defence have been present at Leuchars in my constituency for the best part of 100 years, as part of the continuing obligation of all Governments to preserve the safety of their citizens. Because I believe in that obligation on the part of Government to defend their

[Sir Menzies Campbell]

citizens, I cannot support the decision not to retain Leuchars as a Royal Air Force base. I believe that decision to be fundamentally wrong, strategically inept and likely to increase risk to our citizens. Will my right hon. Friend confirm that his decision to discontinue Royal Air Force use of Leuchars was taken against the advice of the most senior commanders of the Royal Air Force? Finally, the proposals for alternative use of Leuchars by Army units lack dates, details and substance. What cast-iron guarantees can my right hon. Friend give that these promises will be kept and that the money for them will be found?

Dr Fox: First, may I say to my right hon. and learned Friend that, in what has been a passionate debate about basing, few have defended their constituency interests as passionately as he has, and that I know he is bitterly disappointed with the decision that has been taken? Across the services—it was not just a decision of one service—we looked to see what we thought was the best decision for defence as a whole. Because we wanted to bring the Army back from Germany, because we thought this was a suitable place in the south of Scotland to have one of the multi-role brigades and because we thought that this was good for the footprint of our defence forces in the United Kingdom, it made sense to coalesce our air force at Lossiemouth. I understand that some people, including my right hon. and learned Friend, will be disappointed, but the feeling across the services was that, on balance, this was the right decision.

Angus Robertson (Moray) (SNP): RAF Lossiemouth is to remain an air station and Kinloss will become an Army base, and the whole Moray community and its supporters are to be congratulated on the amazing and successful campaign to retain both facilities. I also thank those who have sensibly, if belatedly, decided to retain the Moray bases.

The victory in Moray is tinged with the sadness that RAF Leuchars will not remain an air base. There has been cross-party support in Scotland for the retention of both Leuchars and "Lossie" as air bases. Sadly, the UK Government have rejected that and have instead made massive and disproportionate cuts to the RAF in Scotland. In addition, the Royal Marines are being largely cut and the welcome return of Army units from Germany is uncertain in its time scale. Will the Government confirm today that RAF personnel numbers in Scotland are being cut by more than 50% and that the Royal Marines are being almost entirely cut in Scotland? Will the Secretary of State confirm that, in addition, Scotland will lose military facilities, including Fort George, Craigiehall, Redford barracks, Dreghorn barracks and the air rescue co-ordination centre at Kinloss? What support will there be for communities that have been suffering and will continue to suffer economic shocks? Lastly, will he confirm what the configuration will be at RAF Lossiemouth in terms of the Typhoon squadrons, the Tornado squadrons, the RAF regiment, the simulators and total personnel numbers?

Dr Fox: This may be the last touch of naivety I have, but I would have thought that on a day when the Government were announcing a substantial uplift of the defence footprint in Scotland, with an extra 2,500 posts in Scotland, the hon. Gentleman might have welcomed something that the Government were doing. This Government have brought stability back to the defence footprint in Scotland and have potentially brought extra investment to parts of Scotland for which he has been clamouring in this House for economic assistance to be given. I thought that, just for once, "Thank you, on behalf of my constituents" might have been words that passed his lips.

Mr James Arbuthnot (North East Hampshire) (Con): We shall have to examine with great care the consequences of the details of what my right hon. Friend has announced today. Some of it will be welcome, not least the certainty it brings, and some of it will be less so. What assurances can he give that, in rebalancing the Army between the regulars and the reservists, we will begin by building up the reservists and only later will we reduce the Army?

Dr Fox: As I have just said, I have been explicit about the fact that in order to get to the regular to reserve ratio we want we will first have to build up the reserves to create that deployability and we will also have to see the draw-down from Afghanistan. I very much hope that the amount we are spending—£400 million in this Parliament; £1.5 billion on the reserves overall—will be capable of being absorbed in that time, but we will be able to take a look at that during the strategic defence and security review in 2015 to check that the progress that my right hon. Friend rightly says will be necessary has been achieved.

Paul Flynn (Newport West) (Lab): Does not the disproportionately large size of our Army mean that we take part in an excessive number of wars, with the result that 179 British died in Iraq and 376 died in Afghanistan? Is not the price of punching above our weight that our soldiers die beyond their responsibilities?

Dr Fox: I think the reaction of the House says it all: the hon. Gentleman is in a tiny minority, possibly of one, in holding some of the views he does—*[Interruption.]* It is to the tremendous credit of our—

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): It wusnae me!

Dr Fox: I think the hon. Gentleman doth protest too much on that one.

We should be honouring those who have been willing to make sacrifices in Afghanistan and elsewhere. They do not do so out of a sense of bravado or some bizarre sense of imperialism, as the hon. Member for Newport West (Paul Flynn) would have it, imposed by the UK Government, but because we take our international obligations for global security seriously. We are in Afghanistan because we believe that that is where some of the threats to the United Kingdom came from and we should be thanking our armed forces for the sacrifices that they have been willing to make for our national security.

Several hon. Members *rose—*

Mr Speaker: Order. This is an extremely important statement on which a great many Members want to catch my eye, but I am far from sure that I will be able to

accommodate the majority. I would like to try, but I will need help in the form of single, short supplementary questions.

Bob Stewart (Beckenham) (Con): Will the Secretary of State do his very best to restrict the cuts in the Army to those who do not fight and make sure that the people who do the fighting are maintained as much as possible?

Dr Fox: Yes, where possible the Army will look to see where non-front-line personnel can be part of the reduction that has been set out.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): This is about implementing a strategic defence and security review and today's statement represents a significant reduction in the military footprint in Northern Ireland, the one region of the United Kingdom that faces the greatest security threat at this moment. The Secretary of State will therefore understand my concerns and those of other Opposition Members about that reduction. Will the Secretary of State assure me that he will reconsider the reconfiguration of the military footprint in relation to Northern Ireland as regards strengthening both the permanent garrison and the reserve footprint?

Mr Speaker: I shall treat that question as a full sentence with a series of subordinate clauses, but it should not be emulated by colleagues. It is not a competition.

Dr Fox: I fear you might be disappointed, Mr Speaker. We have said very clearly that we will maintain a constant footprint in Northern Ireland and that we are committed to that and to using the bases in Northern Ireland for some of those returning from Germany. The House should remember, however, that the purpose of having the Army in Northern Ireland was not primarily security inside Northern Ireland itself.

Mr James Gray (North Wiltshire) (Con): Unlike others, the people of North Wiltshire, particularly those in Lyneham and Wootton Bassett who said goodbye only last week to the Hercules fleet, will warmly welcome the Secretary of State's announcement that the defence technical training establishment is to move to Lyneham. That is very good news for the area. Will he confirm first that that will mean 1,500 to 2,000 people moving in; secondly, that it will happen reasonably swiftly; and, thirdly, that it is possible that Lyneham will become a hub for defence training in the future?

Dr Fox: I am delighted that my hon. Friend is so happy at the announcement about Lyneham. I am also particularly pleased that the phenomenal service not only of those who have served in and around Lyneham but of those who live in the vicinity is being fully rewarded. I confirm that there will be around 1,500 posts initially, although that number may rise over time, and that the initial move will be in 2013-14.

Lindsay Roy (Glenrothes) (Lab): Will the Secretary of State detail in full his strategic reasons for closing Leuchars as an air base?

Dr Fox: As I said, as a whole following the SDSR we needed to reduce from four to three the fast-jet hubs in the United Kingdom. Clearly Marham and Coningsby were not really alternatives in that regard and we therefore decided it was going to be either Leuchars or Lossiemouth for the fast-jet basing in Scotland. The view was taken not just inside the RAF, as I have said, but across all the services that there was an opportunity to move an Army presence into Scotland if we had sufficient bases to do so and, in the south, Leuchars was key to that. That enables us not only to have an RAF presence in the periphery of Scotland but an Army footprint—a military footprint—right in the centre. That offers us potential when we are looking for ways of giving business to small and medium-sized enterprises, for example; having that base in south central Scotland is going to be advantageous.

Patrick Mercer (Newark) (Con): May I congratulate the Secretary of State on his emphasis on greater deployability? I have been privy today to a discussion in the Ministry of Defence about which regular infantry regiments might face the axe in the near future. Will he assure the House that that is just speculation and that our bayonet power will not be affected?

Dr Fox: Exactly how the Army develops its plans as we go towards 2020 will increasingly be an issue for the Army, not least with the greater devolution that we have inside the armed forces as a result of the announcements I made in June. I know, having had discussions today and recently with the Chief of the General Staff, that that is certainly one of the issues the Army will be looking at extremely closely.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The Territorial Army regiment based in my constituency tells me that it struggles to recruit people, particularly those who are unemployed, because of the impact that the time spent with the TA as well as the wages have on benefits. Will the Secretary of State look at this issue with the Department for Work and Pensions to ensure that those who are unemployed and who want to serve can do so?

Dr Fox: The hon. Lady makes a very interesting point and I certainly will undertake to do that because I want to diminish any barriers to serving in the Territorials, including those to people in employment, which I mentioned in my statement, and those to people who are out of work. I am grateful to her for that interesting idea and I will take this forward.

Kris Hopkins (Keighley) (Con): May I thank the Secretary of State for his clear reality check, given the financial circumstances he took over in May last year? In Keighley there is a long-established detachment of the Duke of Wellington's Regiment—now the Yorkshire Regiment. Can the Secretary of State outline the impact that his statement will have on Territorial units such as the Duke of Wellington's Regiment unit?

Dr Fox: I cannot make a specific case regarding any one Territorial unit, but I can say that the money we are announcing today, which is unprecedented in terms of the reserves and which reverses a decline of recent years, will be welcomed in all parts of the TA. We will of course be looking at the best way of spending that

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money, and I guess from my hon. Friend's intervention that he will be making one of the early bids in that process.

Dan Jarvis (Barnsley Central) (Lab): The statement referred to what was described as a "progressive adjustment of the regular-reserve balance" of the Army. By my maths, that equates to a reduction in the regular Army of 17,000. This is very surprising to me because just two weeks ago I asked the Secretary of State what plans he had to reduce the size of the Army post-2015, to which he replied:

> "Nothing has changed in our assumptions since the strategic defence and security review."—[*Official Report*, 4 July 2011; Vol. 530, c. 1222.]

Can he therefore tell the House when exactly the assumptions changed and why?

Dr Fox: Again, the hon. Gentleman misses the point. What we are talking about is the deployability of the Army. I want to see the reserves increased so that they can be more deployable. We have such a low level of deployability at present—about 14,000—and I want the numbers to be built up so that the deployable level of the Army is maintained. Perhaps he should look at the experiences of other countries and ask why they are able to have a regular-reserve balance that is quite different from the United Kingdom's and yet maintain their deployability.

Dr Andrew Murrison (South West Wiltshire) (Con): The 2009 TA funding debacle, the ill-effects of which are still being felt, was a result of Labour accepting the easy expedient of cutting reserve forces when cash is tight. Given that our armed forces in the future will have an even greater proportion of reservists, which I welcome, clearly the dangers are enhanced. What will my right hon. Friend do to guard against the TA being cut, as it is relatively easy to cut it, rather than regulars, when funds are tight?

Dr Fox: I have set out that funding today—£400 million in this Parliament and £1.5 billion by 2020. One of the ways in which we can do it is to challenge the Opposition to say whether they would match that funding in the unfortunate event for the country that they ever came back to power.

Hugh Bayley (York Central) (Lab): Will the headquarters of the Yorkshire-based brigade remain in York? What implication will today's announcement have for the number of regular soldiers in the Yorkshire Regiment, and what is the future of RAF Linton-on-Ouse?

Dr Fox: I am pleased, and no doubt the hon. Gentleman will be pleased, at the decision that 15 (North East) Brigade will remain in York. That is a decision that we have taken.

Miss Anne McIntosh (Thirsk and Malton) (Con): It is always delightful when neighbouring colleagues take such an interest in one's own base. Mindful that north Yorkshire and military establishments there have always played a key role in the defence and security of the realm, can my right hon. Friend give me an assurance on the future of Alanbrooke barracks and RAF Linton-on-Ouse?

Dr Fox: I thought my hon. Friend might raise that issue and can tell her that there will be no change in the current usage.

Mr David Crausby (Bolton North East) (Lab): How can we be certain that the right hon. Gentleman's Government, propped up by the Liberals, will deliver and maintain the necessary training and support that our Territorials and reserves require, or is this just another way to cut the Army?

Dr Fox: The big difference between the Opposition and the Government is that we not only say that we believe in the Territorials; we are funding the Territorials, whereas they cut the Territorials. Moreover, we believe that having a stronger reserve is one of the ways of increasing the links between the armed forces and the communities of this country. That community linkage should not be underestimated, and it is not easy to put a monetary value on it.

Mr Mike Hancock (Portsmouth South) (LD): As the Secretary of State did not say too much about the Royal Navy, can we take it that the bases in Portsmouth, Plymouth and Rosyth are safe from any cuts? Can he give an assurance that the Navy basing, based on the plan announced earlier this year, will be maintained?

Dr Fox: The reason I did not mention any specific bases is that there are no changes planned in the usage of any of the bases that my hon. Friend mentions.

Mr Julian Brazier (Canterbury) (Con): I welcome my right hon. Friend's determination to tap a wider pool of talent and skills in the nation alongside our splendid professional forces. May I suggest that the most important single recommendation in the commission's report is that we restore proper governance to the reserves, including giving back to the reserve forces and cadets associations their role as a watchdog with an annual report to the House?

Dr Fox: I thank my hon. Friend for his welcome to my welcome to his report. It gives me an opportunity to say a heartfelt thank you to my hon. Friend, who not only has had tremendous input into the report, but has championed the cause of reserves for as long as I can remember in my time in Parliament and deserves great gratitude. He is absolutely correct that the ideas he has just reiterated, which are contained in his report, will form a central part of the Government's course for the time ahead.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): The Secretary of State referred a few moments ago to what he described as the potential for independence in Scotland. Will he explain what he meant by that?

Dr Fox: I mean that the Labour party was unbelievably beaten by the Scottish Nationalists in the Scottish parliamentary elections on a manifesto from the Scottish Nationalists that they would hold a referendum on

independence. That is what I meant, and there are serious implications for the Union in terms of defence, were that ever to occur.

Dr Julian Lewis (New Forest East) (Con): Heavy weapons are deployed to theatres from only one military port, that at Marchwood in my constituency. Will the Secretary of State confirm that Marchwood will continue to perform its functions and will not be sold off for a very small amount of money, about a £40 million one-off return?

Dr Fox: I can confirm for my hon. Friend that we do not envisage a change to the usage at present.

John Woodcock (Barrow and Furness) (Lab/Co-op): Can the Secretary of State guarantee that personnel currently serving in Afghanistan and Libya will keep their jobs through these changes?

Dr Fox: Looking almost 10 years ahead, it is impossible to predict what changes might take place. That will be a matter for the Army, of course in consultation with the Government. I can say that no one will be made compulsorily redundant within a year of returning from any combat operations.

Mrs Anne Main (St Albans) (Con): While saddened by the cuts, I completely understand why the Secretary of State has had to do some of these dreadful things. I urge him to take on board the fact that we need proper procurement so that we do not have the disaster of helicopters languishing, as they did under the previous Government, because of sloppy procurement. I also welcome the 14 new helicopters.

Dr Fox: My hon. Friend makes an important point. There is no point in any Government wishing that they had more equipment or telling Parliament that they will buy things when they have no idea where the money will come from. That is why the things I have announced today, including the 14 Chinooks, now have a proper budget attached to them, which they never had when part of a wish list under Labour.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): These dreadful things feel a bit like rearranging the deckchairs on the Titanic, given the scale of the cuts that the armed forces are facing. How many personnel currently serving in Germany will in future be based in Scotland?

Dr Fox: It is impossible to give an exact number, but I would imagine that between 6,500 and 7,000, or something of that order, of the 20,000 personnel we currently have in Germany will be coming back to the multi-role brigades in Scotland. The precise number and lay-down will be subject to the plans that the Army will bring forward in the months and years ahead, assuming of course that we have the agreement of the local authorities and the Scottish Government.

Mark Lancaster (Milton Keynes North) (Con): I remind the House of my interest as a member of the reserve forces. I am confident that the reserve forces will step up and meet the challenge they have been set today. Indeed, the investment will be most welcome, in stark contrast to the measly £24 million that the previous Government attempted to save in 2009 when they wanted to cut all TA training for six months. Will the Secretary of State reassure me that the practice of late mobilisation, which prevents some members of the TA receiving full deployment training with their attached unit, will cease?

Dr Fox: I will certainly look at the specific point raised by my hon. Friend, who has considerable experience of these matters. He is right that we face a challenge with the reserves and correctly points to the fact that it will be a major feat for them to reach the time scales and budgetary spend that we have put forward. Like him, I am confident that they will meet that challenge.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Will the Secretary of State confirm the exact details of the announcement he made in his statement when he said, "I can therefore now give the go-ahead for the procurement of" a list of things, including the "cat and traps for the Queen Elizabeth class carriers"—plural? Does that mean that both carriers will receive cat and traps?

Dr Fox: That is our plan, and I have agreed to my officials now getting involved in contract negotiations. They were not previously able to do so because we were not guaranteed that we would have the budget. When we make decisions of this nature we must ensure that we have the wherewithal to pay for them. Otherwise, as I have said, they are simply a wish list.

Mr John Redwood (Wokingham) (Con): As the Secretary of State is proposing to close the large Royal Electrical and Mechanical Engineers garrison at Arborfield in my constituency, will he ensure that the officials working on the disposal, who aim to make a substantial capital gain for new housing, will understand that some of the money will be needed for transport and educational facilities for the large new settlement they have in mind?

Dr Fox: I am grateful to my right hon. Friend for his support and understanding on this issue and know that he will be disappointed that the units are being moved out of Arborfield. We intend to achieve that in a measured way by 2014-15. I am sure that discussions will be ongoing with the local authority on the financial implications he has pointed out.

Jeremy Corbyn (Islington North) (Lab): Can I assure the Secretary of State that the views of my hon. Friend the Member for Newport West (Paul Flynn) are not necessarily those of a tiny minority or completely isolated? Does the Secretary of State not accept that it is time that this country took a reality check on the levels of global reach that the armed forces are expected to be able to undertake and the massive cost that we are bequeathing to future generations? Is it not time for a serious defence and foreign policy review on these matters?

Dr Fox: Only the hon. Gentleman and the hon. Member for Newport West (Paul Flynn) could describe two out of 600-odd as not being a small minority. As a country, we have had a good debate about the defence

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review, and we think that we should be implementing its practicalities. The understandings and the strategic aim, as set out in the national security strategy, were broadly welcomed on both sides of the House. It is perfectly correct that we have a debate on the ways in which we carry it out, but there is not a huge debate in this country about the strategic direction that we and our allies are taking.

Penny Mordaunt (Portsmouth North) (Con): Parliamentary questions I have tabled show that there is little understanding in other Government Departments of the contribution that defence, particularly the Royal Navy, makes to fuel security, communications and trade. As my right hon. Friend works to put the defence budget and our defence capabilities on a sustainable footing, will he also make the case that our economic recovery is dependent on increased defence spending?

Dr Fox: Our economic well-being, as an island where 94% of our exports go by sea, is also dependent on the security of the international sea lanes and the Royal Navy's contribution to that. Some would say that that is not a necessary function because it is outside the United Kingdom, but it is about the protection of UK interests, and I am afraid that in a truly globalised economy it will continue to be that way.

Mrs Madeleine Moon (Bridgend) (Lab): In his recent address to NATO, Robert Gates expressed grave concern about NATO's increasing inability to defend itself and about our unwillingness to pay the true cost of our own defence, relying on America to fund up to 80% of NATO. Does the Secretary of State appreciate that today's announcement of 17,000 cuts across our armed forces and an increased reliance on a reserve force that is yet to have the capacity to fill a 30% gap will cause great consternation not only in relation to the defence of the UK but across NATO?

Dr Fox: I have of course had discussions with my American counterpart about some of our ideas. For the United States, the idea that we should have such a ratio between regulars and reserves is nothing unusual. When Bob Gates was criticising some of the countries that the hon. Lady mentioned—and when he looked at the United Kingdom, still spending above 2% of GDP on defence, with the fourth biggest defence budget in the world, and investing in the carrier and the joint strike fighter—I do not really think it was us he had in mind.

Mark Pritchard (The Wrekin) (Con): My right hon. Friend knows more than most that the first duty of any Government is to defend the United Kingdom and the United Kingdom's interests. Does he accept that if the Treasury subsequently tries to erode the statement that he has made today, and indeed what has been said about planning round 11, that will make it very difficult for this Government to fulfil that very solemn obligation and duty?

Dr Fox: It would be extremely unfortunate were there to be any going back on the uplift that we have had as part of our approach to the next decade. I do not see any chance of that happening given the Treasury's willingness to engage with the MOD once the MOD was able to show that it could manage its budget better and assess its costs better, and given that the National Audit Office will in future be making a very strict audit of what we do regarding our finances.

Diana Johnson (Kingston upon Hull North) (Lab): At Hull's freedom parade on Saturday for 150 (Yorkshire) Transport Regiment, several of the Army vehicles that were going by were plastered with recruitment posters. As my hon. Friend the Member for Barnsley Central (Dan Jarvis) said, the Secretary of State said in the House two weeks ago that there would be no further cuts. When exactly did he decide that he wanted to have an Army that would fill Wembley stadium with probably several thousand seats left over?

Dr Fox: What I want to achieve—I go back to this point again—is a complete Army of reserves and regulars that is genuinely deployable. We have to increase the deployable number because that is what gives us our military effect. There is no point in having bigger armed forces when the budget does not allow us to fully train and equip them, because it is the military effect that we need to preserve. The real betrayal was the Labour party under-equipping our armed forces, as it did so often when it was in government, not the proposals I have put forward today.

Bob Russell (Colchester) (LD): If the previous Government had made this statement, I do not think the right hon. Gentleman would have welcomed seeing the British Army reduced to the size that it was when Colonel Robert Baden-Powell was involved in the siege of Mafeking in the Boer war. The Secretary of State says that the Army will be formed into five multi-role brigades. Will he clarify where 16 Air Assault Brigade and the Colchester garrison fit into that?

Dr Fox: The five multi-role brigades are the core of what the Army will do, but one air assault brigade and one commando brigade will of course remain separate from that shape, so there will be no real difference to the lay-down that my hon. Friend describes. As for the Labour party having introduced such a programme in government, it would never have done so because it had no idea how bad the economic circumstances were that it was creating.

Mr Mike Weir (Angus) (SNP): Although the announcement that 45 Commando will move from RM Condor is not unexpected, it will none the less cause sadness in the local community. The Secretary of State said in his statement that other troops would come to Condor over time. Can he give an indication of the time scale and give an assurance that there will be no gap between 45 Commando leaving and alternative troops taking up residence?

Dr Fox: We looked at this as one of the proposals that we could have announced today with dates attached. The costs, however, were prohibitive in making the moves that I wanted to see. This matter will almost certainly have to be looked at in the SDSR in 2015. Therefore, I would not imagine that there would be any change before 2015-16.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will my right hon. Friend ensure that the welcome additional funding he has announced for the reserve forces will be used specifically for the reserve forces and not by the regular forces for other things?

Dr Fox: That money is earmarked for the reserves, but it is also earmarked for our deployable force. I have said that if we are unable to get the increase in deployability through the reserves alone with the money that I have put in place, there may be a mechanism for an adjustment between the two. We will certainly try to achieve the ratio and the time scale that I have set out today.

Thomas Docherty (Dunfermline and West Fife) (Lab): I clearly welcome the news that HMS Caledonia will host elements of the Army. I hope the Secretary of State will confirm that a ministerial meeting is possible to discuss the details. Will he confirm which Department will be responsible for funding the transition of those communities from RAF to Army?

Dr Fox: I confirm that we intend to utilise HMS Caledonia as a unit for the MRB. We aim for the moving in to start in 2015-16. Of course, this will be a cross-departmental subject when it comes to looking at the wider costs.

John Glen (Salisbury) (Con): Will my right hon. Friend confirm that the additional funding announced for defence equipment budgets will not be a sufficient uplift post-2014 to achieve the full aspirations of the Future Force 2020?

Dr Fox: We have to look at the defence budget as a whole, not simply the equipment budget, and see where there is leeway. I set out the equipment programmes that we are willing to start spending money on today. I am simply not willing to start to spend on other projects where I can see no budgetary line in the future. After all the pain we have gone through to rebalance the Ministry of Defence budget, we are not going to go back to the bad old habits and recreate the black hole that we inherited.

Mr Denis MacShane (Rotherham) (Lab): The withdrawal from continental Europe is historic and could be very expensive. Why, then, did the Government turn down the offer of the Polish Government to provide accommodation, training terrain and facilities, all at pretty much zero cost, which would have allowed a permanent alliance there with probably our closest military partner in Europe?

Dr Fox: Although it may appear superficially attractive, I am afraid that none of those things is free. The cost of allowances and of keeping our personnel in Germany amounts to about a quarter of a billion pounds a year to the British taxpayers, and they are pumping about a hundred million pounds a year into the German economy when I would like to see that money pumped into the British economy.

There may well be not only a chance to have joint training with our Polish colleagues but room for continued training in Germany itself, following discussions that I had with the German Defence Minister last week.

Mrs Eleanor Laing (Epping Forest) (Con): Will the Secretary of State tell the House what would happen to the 2,500 extra jobs that he is creating, and the significant investment that UK forces are about to make in Scotland, if Scotland decided to separate from the rest of the United Kingdom?

Dr Fox: The arrangements that we have set out today, with the Crown forces underpinning the security of the United Kingdom, will continue as long as the United Kingdom itself exists.

Jim Shannon (Strangford) (DUP): TA soldiers from Northern Ireland constitute some 20% of total TA personnel in the UK, both deployed and operational. Will the Minister commit to increasing TA soldier numbers in Northern Ireland?

Dr Fox: If that is how the Army thinks it can best utilise the increased resources it has, it can make that decision. If, however, it decides that it should increase the quality of its training, the bases from which it operates or its equipment, those will be alternative choices for it. I will certainly make the hon. Gentleman's point to the chiefs.

Several hon. Members *rose—*

Mr Speaker: Order. I can accommodate very few more questions, I am afraid. Time is extremely pressing, and brevity is essential.

Elizabeth Truss (South West Norfolk) (Con): I am delighted that RAF Marham is to be retained, and I thank the Secretary of State for listening to the strategic and economic arguments put by the "Make it Marham" campaign, which includes 37,000 people of Norfolk and nine local Members of Parliament. Under the plan for the Tornado squadrons, how many will be based at RAF Marham?

Dr Fox: There are no changes whatever to the plans that we have previously announced for RAF Marham. I have to say, it would have been very hard to miss my hon. Friend's voice on the subject in recent months, when there can hardly have been a single occasion when she did not raise it with me vociferously in the Lobby. I congratulate her.

Dan Byles (North Warwickshire) (Con): Does the Secretary of State agree that this rebalancing will work only if we can finally stop viewing the reservists and regulars, and the three single services, as separate organisations and start viewing them all as a combined means to an end?

Dr Fox: I could not have put it better myself.

Caroline Dinenage (Gosport) (Con): My constituents will welcome the news about the 14 Chinook helicopters and the global combat ship, not least because they equate to jobs in my constituency. Will the Secretary of State outline in a bit more detail the delivery times for giving out the contracts and delivering the procurement?

Dr Fox: I hope to be able to do that in the very near future. I hope my hon. Friend will understand that we are now entering a very sensitive period in the negotiations with the company involved, and I would not want to do or say anything that might diminish the MOD's negotiating hand. However, I will make that information available to her and the House as soon as possible.

Duncan Hames (Chippenham) (LD): I thank the Secretary of State for his decision on Lyneham, which will be welcomed in Chippenham and right across the north of Wiltshire. Does he still envisage any land disposals from the base there as part of its transition to the new role?

Dr Fox: No, I do not at the moment.

Mr Philip Hollobone (Kettering) (Con): The welcome step change in TA numbers will require a parallel step change in employer commitment. Given that we have Queen's awards for business, exports and technology, can we have a Queen's award for supporting the reserve forces?

Dr Fox: It is very unusual to get two good and constructive ideas for the Government to take away from a session such as this in the House, but I will certainly take my hon. Friend's idea away. We want to work with employers to make it easier for reservists to be in employment. We want to do that on a voluntary basis, but if necessary we will come to the House with legislation to ensure that it happens.

Mr Laurence Robertson (Tewkesbury) (Con): Can the Secretary of State give me some assurance about the future of the Defence Storage and Distribution Agency camp at Ashchurch in my constituency?

Dr Fox: On current plans, no changes are envisaged.

Several hon. Members *rose—*

Mr Speaker: Order. I am afraid that we must move on. We have had contributions from 47 Members. I would like to accommodate everybody, as I usually do, but time is pressing. I am grateful to the Secretary of State for Defence and colleagues.

Local Government Finance

5.50 pm

The Secretary of State for Communities and Local Government (Mr Eric Pickles): With permission, Mr Speaker, I should like to update the House on the Government's review of local government finance.

The past year has seen the beginning of a long-awaited and much needed shift in power—from national to local, and from Whitehall to the town hall—but if localism is to reach its potential, new legal freedoms must be matched by freedom over finance. That, of course, is not a new idea. Reviews, from Layfield in the 1970s and onwards, have emphasised that increasing local financial control is the key to strengthening local democracy.

Strangely, the previous Government did nothing to reform the system, despite a local government finance Green Paper, a local government White Paper, the balance of funding report, and, of course, the Lyons inquiry. Amazingly, they did not even bother to issue a formal response to Lyons's 400-page report.

By contrast, the coalition Government are delivering radical change. Over the past year, we have begun the phasing out of ring-fencing, freed up £2.1 billion from restrictions and simplified more than 90 separate funding streams to fewer than 10. That is real progress, but today we are committed to going further still: to restoring councils' financial autonomy while ensuring a fair deal for all communities, whether in the north or in the south.

In the first phase of our review of local government resources, we have focused on local retention of business rates. As the House will know, the Government have already taken action on business rates. We have introduced a more generous small business rate relief scheme, we are making it easier to get that relief without filling in paperwork, and we have scrapped the unfair and regressive ports tax.

We are now looking at what business rates mean to local councils. Councils in England collect some £19 billion in business rates each year. No sooner does the cash come in than it is gathered up by the Treasury and then redistributed to councils according to a complex formula. That approach has major shortcomings: it denies councils control over locally raised resources; it deprives them of the certainty they need to plan their finances for the longer term; and it creates a disconnection between the success of local businesses and the state of a council's finances.

Surely it is common sense for the system to encourage councils to boost local jobs and growth. Radical change is needed, and councils themselves agree. In a major step for transparency, my Department is today publishing every representation made in the recent local government financial settlement. There is a common theme. Councils believe that the current system is complex and opaque. They must talk down their successes and talk up their difficulties in order to secure the best possible deal from Whitehall.

To address that, mere tinkering—adjusting the formula here, amending the area cost adjustment there—will not be enough. This Government are determined to repatriate the business rates. Today, I am publishing a consultation outlining our proposals. No more will proud cities or historic counties be forced to come to the national

Government with a begging bowl. Councils will have a greater control over cash, helping them to plan for the longer term. Tax increment financing will let them borrow against anticipated increases in rates, giving them a new way to invest in infrastructure, from transport projects to regenerating town centres. Councils should see a direct link between the success of local businesses and their own cash flow. That will create the right incentives for them to work closely with local businesses.

I am determined that the transition to a new scheme will be both responsible and fair. The Government's overriding priority continues to be deficit reduction. In the spending review, we set out the level of resources available for local government for the next four years. In the interests of financial stability, for the first two years of the retention scheme, we will continue to stick to those spending plans, but we will allow local authorities to benefit from any growth in business rates above forecast levels. Beyond this spending review period, we will look to align more closely local authority functions and total business rate income.

It is also of paramount importance to ensure that our proposals on local government finance are balanced, fair and equitable, creating the right incentives for all areas to grow while protecting the most vulnerable. We propose a number of measures to safeguard them and to achieve that. First, poorer places will share the increase in growth with more prosperous areas. Those places with the greatest dependency should, and will, continue to receive support, while being allowed to keep the products of enterprise, and those places that raise the greatest sums through business rates should expect to make a contribution. A new system of tariffs and top-ups will ensure that we start from a fair base. As my right hon. Friend the Deputy Prime Minister told the Local Government Association last month, we will ensure that no one will be worse off when the new system is introduced than they would have been under the old system.

Secondly, as the House will well know, some areas have strong natural economic advantages, such as high-value industries or concentrations of skilled workers. There will be no cap on the amount of business growth from which such councils can benefit. A council will be better off as a result of growth, but if an area benefits disproportionately from a growth in business rates, we propose to introduce a special local levy to capture a share of that benefit. The money raised should be used in the first instance to fund a safety net, which would protect authorities that experience exceptional shocks to their business rate take.

Thirdly, our proposals include the option of resetting the whole system. If councils no longer had enough resources to meet local needs, the Government could recalculate the level of tariffs and top-ups across the whole system.

Fourthly, support for mandatory and discretionary rate relief will continue. Rate relief to the needy will be unaffected. National discounts and rate relief will continue to be supported, meaning no adverse change for such groups as charities, amateur sports clubs, voluntary groups, those in hardship and those who are eligible for rural or small firms relief.

Finally, we have reflected carefully on what our new system means to business. Businesses—the creators of local jobs and wealth—need stability in this process. They need certainty to plan for the long term, so let me spell this out in no uncertain terms: local firms will see no difference in the way in which they pay tax, or the way in which the tax is set, as a result of these changes.

I am placing in the Library a plain English guide so that hon. Members' constituents can understand what our proposals will mean for them. We intend that business rates should be repatriated in 2013. We will bring forward a local government finance Bill to give our proposals legal effect. The publication of this consultation begins a debate that I hope will be wide-ranging and constructive. I want to work with all local authorities, representative groups and political parties to build a consensus for lasting change. That consensus will be built on putting power back in the hands of local councils and communities; supporting local jobs and local firms; and creating the conditions for renewed, sustainable economic growth. I commend the statement to the House.

Caroline Flint (Don Valley) (Lab): I thank the Secretary of State for advance sight of the statement. Obviously, we will look closely at the detail of the Government's announcement today, because on many policy areas under this Government the devil is in the detail.

Let me make it clear at the outset that we would back a funding system for local authorities that supports jobs and growth and encourages enterprise. In government, we introduced measures such as the small business rate relief to support small businesses and, in consideration of the Localism Bill, we are pushing the Government to go further in devolving powers to cities and councils to enable them to drive economic development. Our amendment is due to be debated in the other place on Wednesday, and I hope that the Secretary of State will confirm today that he will tell his colleagues to support our proposals.

We have been clear that any funding system for local government must be fair. It has to ensure that every authority has the resources it needs to meet the needs of its communities, but today I am afraid that—plain English or not—the Government have failed to spell that out. How does the Secretary of State plan to localise business rates without taking funding from the pockets of our poorest communities? The Secretary of State may just want to talk about year one, but we want to talk about year two and year three, and all the years after that. What will the funding system look like then? And will the Secretary of State be able to guarantee today that no council will be worse off in five years' time as a result of the reforms that he has announced this afternoon?

It is telling that whenever the Government have been challenged on the long-term effects of their reforms to business rates, they have said that it is up to local councils. What that really means is that, after the first year, the Government are washing their hands of the problem—cutting funding and leaving councils to fend for themselves. We all know how incredibly important this is to local communities up and down the country because, as the Secretary of State knows, business rates make up 76% of the formula grant. Vague, empty assurances just will not cut it. No sleight of hand, temporary transition grants or safety nets can hide the consequences of these reforms. If the wealthiest councils are not giving up the rate they collect locally for redistribution, where will funding for those who rely on redistribution to survive come from?

[Caroline Flint]

The Secretary of State referred, very briefly, to the fact that areas that raise the greatest sums through business rates will still, at least in year one, make some sort of contribution to less well-off areas, but a report in this morning's *Times* said that councils with large yields would only be required to contribute to a safety net in the form of a regional pot. Will the Secretary of State confirm whether the redistribution that takes place in year one—or beyond—will be on a national or regional basis? If it is on a regional basis, and given the size of the business rates yield in Westminster and the City of London alone, many areas outside London and the south-east will be considerably worse off.

Until the Secretary of State clarifies those points, we will continue to press him on what these reforms might mean. We have heard his assurances before. He assured us that the finance settlement was fair. Then we found out that while places such as Richmond and Surrey Heath were losing less than £10 a head, areas such as Hackney and Liverpool, serving some of the most deprived communities in our country, were losing nearly twenty times as much. He assured us that the cuts to local government funding did not have to mean cuts to services, but even his own councillors do not believe that one. The cuts that we are seeing now, right across the country—to home helps, care services, street cleaning and, yes, to bin collections too—are the consequences of his cuts.

Today, the Secretary of State still seems to expect us to be satisfied by his assurances—to believe that no council will be worse off. If we do not believe what he says, the Deputy Prime Minister told the same Local Government Association conference:

"The new system will start on a level playing field. How far you progress from there is entirely up to you."

That was backed up by comments by the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell) in response to an Adjournment debate last week. I paraphrase slightly, but he basically said, in answer to a concerned question about what would happen after year one, "You'll be okay for the first year, but I really couldn't specify beyond that." Are those the sort of assurances to give us hope that there will be fair redistribution in the future for those communities in the greatest need?

This proposal just does not add up. The amount of funding going to local authorities over the next four years has already been laid out in the comprehensive spending review. Unless the Secretary of State wants to announce today that he is planning to revisit the level of grant he intends to provide to local authorities, will he confirm that, with a fixed pot of money for any council to gain, other councils must lose? If not, will the Secretary of State tell us where the additional revenue will come from? We know which areas will lose out as a result of these changes. It will be the poorest areas, with the most deprived communities and smallest business base, who will be hit with a triple whammy. First, they saw their area-based grants cut and then they had to deal with the finance settlement, which singled them out for the heaviest cuts; and now, to add insult to injury, the Government want to cut their funding to boost the coffers of the better-off councils by localising business rates in a way that is unfair and that will benefit the best-off at the expense of the most deprived.

However, it will not just be our poorest communities that lose out. Many rural areas and seaside towns—from Southend-on-Sea to Blackpool; in Devon, Somerset and Northumberland—and even Harrow and Enfield in Greater London and Redditch in the midlands will see a loss from these changes.

In government, we were examining the case for tax increment financing, and we will look closely at the details of the Government's announcement, but however much the Government spin it, it will not be lost on local authorities that the introduction of tax increment financing comes after this Government have already cut local authority capital funding by 45%, and when they have raised the interest rate at which local authorities can borrow. The Government may couch these reforms in the language of localism, but today's announcement betrays their real intent. Cutting funding to areas with the highest need does not free councils from central control or empower them: it stops them from doing the things their communities need of them.

Yes, we want a funding system that supports jobs and encourages enterprise, but not every area has the same ability to attract investment and new businesses. Not everywhere can be Westminster or the City of London. We will look to support incentives to boost enterprise and put councils and communities in control, but fairness must be at the heart of the system.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Please could Members resume their seats? There is a lot of interest in this statement, so I ask Members to make their questions brief and ask only one question. I also ask Members to rise only if they were in the Chamber for the entirety of the statement. I call Mr Heald—

Oliver Heald (North East Hertfordshire) (Con): My right hon. Friend the Secretary of State may wish to respond—

Mr Deputy Speaker: I apologise. I call Mr Pickles.

Mr Pickles: You can be forgiven for that mistake, Mr Deputy Speaker, as I do not recall a single question in the tirade from the right hon. Member for Don Valley (Caroline Flint).

I am grateful for the right hon. Lady's welcome, but it seems that it was a pointless gesture to supply her with the statement so far in advance—well in advance compared to what Labour used to do—if she just reads out something that had clearly been typed long before she received it. She should not rely on *The Times*. She needs to understand what will happen after the first year. The tariff and a levy will continue.

Perhaps we can look at the issue in these terms. If the system is designed to punish our enemies and reward our friends, what will it mean for Doncaster, which includes the constituency of the Leader of the Opposition, the Opposition Chief Whip and the right hon. Lady? Under this system, Doncaster will do particularly well. It will do better under this system than it has for the last five years. Instead of the right hon. Member for Don Valley trying to invent reasons why things will go wrong, she should recognise that this is a way for her to stand up for the people of Doncaster and explain that it is a

wonderful place to invest, with a great market and a wonderful rail link. She should get on the side of the people of Doncaster and stop opposing a system that will benefit them.

Oliver Heald *rose—*

Mr Deputy Speaker (Mr Nigel Evans): As we were: I now call Mr Oliver Heald.

Oliver Heald: I welcome the message that councils should roll up their sleeves and help their local businesses to create jobs and growth, but can the Secretary of State assure me that the guide and scout hut—I am a guiding ambassador for my area—and all the voluntary bodies that currently get rate relief will continue to do so?

Mr Pickles: I can absolutely give that assurance. My hon. Friend can continue his good work with the guides and scouts safe in the knowledge that the rate relief will remain.

Mr Bob Ainsworth (Coventry North East) (Lab): I share the concerns of my right hon. Friend the Member for Don Valley (Caroline Flint) that this system will be used to redistribute wealth from the least affluent areas to the more affluent areas—not necessarily in year one but in subsequent years. I listened for an answer to her question but we did not get one.

Mr Pickles: The answer is that roughly £2.5 billion will be transferred from the south to the north of England, and I do not anticipate a significant change to that amount. I was not just picking out Doncaster; places such as Liverpool and Sheffield also do well out of this system—because we are looking at relative growth. The poorer areas will continue to benefit from the levy. Under the present system, any growth or enterprise is immediately siphoned away from the centre. The new system will give places such as Coventry, Liverpool and Doncaster a real incentive by allowing them to keep the extra growth that they generate.

Mr Philip Hollobone (Kettering) (Con): I declare an interest as a serving member of Kettering borough council. In two-tier authority areas, will it be the borough council that sets the repatriated business rate, and will it be required to give a percentage to the upper tier authority?

Mr Pickles: The rating authority—the district authority—will continue to collect, but the county council and district councils will receive a sum of money equivalent to the existing formula grant and will continue to share in the growth. That means that counties and districts will be able to work in partnership with business, and determine between them a proper relationship. There will be no problem with their ability to determine where the money falls.

Mr Clive Betts (Sheffield South East) (Lab): I do not think that even the Secretary of State could describe this as a simplification. I am a long-term supporter of the localisation of business rates, but is not the problem that the cut in Government funding to local authorities will mean that by 2013 the totality of that funding will just about equal the business rates, and that if each local authority keeps its own business rate there will be nothing left for redistribution to the authorities with the greatest need, and the least ability to raise money? Is not the fundamental problem the fact that he cannot deliver localisation and fairness in the same agenda?

Mr Pickles: The hon. Gentleman, who is distinguished in these matters—I am rather hoping that the Communities and Local Government Committee, which he chairs, might consider holding a special hearing on it—is entirely wrong. The levy system is there to pick up various authorities that will enjoy extra growth. *[Interruption.]* If the hon. Member for Worsley and Eccles South (Barbara Keeley) will contain herself, I shall explain. Different parts of the country will enjoy economic growth at different rates. We will ensure that if areas of the country see disproportionate growth—Kensington and Chelsea, the City of London or the authorities next to Lakeside or Bluewater, for example—the money will be distributed. If we did not do that everybody would go and live there, because the pavements would be covered in gold. It is a natural process. Rather than people being on their bended knees, we will ensure that poorer parts of the country not only enjoy the benefits of economic growth through what they themselves achieve, but benefit from prosperity in the wider community.

Mr John Redwood (Wokingham) (Con): Will the Secretary of State confirm that the increase in the business rate will still be set nationally, in order to reassure business people?

Mr Pickles: My right hon. Friend raises an important point. In order to ensure that the system works, business needs to have certainty and predictability, and because we want growth to be generated, we cannot allow businesses to be used as some kind of favourite cash machine for councils. The rate will continue to be set by formula and from the centre. However, local authorities can work closely with business to bring in new businesses.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): If this is good news, it is certainly a bad day to bury it. There is no doubt that the Secretary of State failed to answer the question asked by my hon. Friend the Member for Sheffield South East (Mr Betts). He has already confirmed that the national business rate will be set by the Government, that growth will be held by the authorities that have encouraged it, and that, somehow, it will also be distributed to authorities that do not get growth. Given that last week the Department answered a question from me saying that it did not know what the spend would be as a comparator between Westminster and Sheffield, how does he think that he can answer this question this afternoon?

Mr Pickles: It would be horrible if businesses had to take the roofs off their factories in order to escape local authorities—as I believe the right hon. Gentleman will recall from his time in office. Sheffield does remarkably well out of this process. Over the past five years it has had above-average growth in its rate base, and I see no reason why it should not benefit from this. Basically, this is about ensuring that local authorities can benefit from growth in their business rates and can be encouraged to work with business. Frankly, it is no good being in favour of repatriating business rates unless we are also

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prepared to put in place something that is fair and equitable and will look after the vulnerable. I am very sorry that the two hon. Members from Sheffield do not seem to realise that.

Annette Brooke (Mid Dorset and North Poole) (LD): I welcome the principles behind this proposal—equalisation and incentivisation—but I am concerned about year two. The percentages for how the levy operates and how it is redistributed will be critical. What forms of consultation will the Secretary of State engage in, and what scrutiny of the proposals does he envisage?

Mr Pickles: My hon. Friend raises an important point. She will find waiting for her in the Vote Office a consultation document dealing exactly and precisely with the questions that she raises. It is important to understand that there will be no cliff edge in year two. We need to get away from the idea of dependency and the continuous search for the bottom—whereby local authorities try to outdo each other in saying how bad things are. We should be able to celebrate the places we live in, show things off with pride and give local communities the benefits of growth.

Roberta Blackman-Woods (City of Durham) (Lab): The Secretary of State will know that the current system of business rates ensures fairness by redistributing income, taking into account levels of need and the differing abilities of local authorities to raise council tax. Will he assure the House this afternoon that authorities such as County Durham that have high levels of need will not lose out under this proposals, beyond year one, to the tune of about £100 million?

Mr Pickles: I am delighted to report to the hon. Lady that County Durham and the north-east have enjoyed rates of growth in business rates above the English average. From what she said, one might think that somehow councils were in general agreement, but if she looks at some of the submissions that we have received she will see—I will take two as examples—that the Association of North East Councils argues that the north-east received a worse deal than the south-east and that deprivation had risen more in the north-east than in London, whereas Brighton and Hove city council disagrees with the area-cost adjustment for Cumbria, Wolverhampton, Wigan, Liverpool and Oldham, but not for its own area. We cannot have a situation where one part of the country is saying, "Give me more money, and take it from them." What we need is a system of equality that rewards entrepreneurialism and gets local authorities off their knees.

Mr Tobias Ellwood (Bournemouth East) (Con): I welcome this statement, not least because it dispels many of the myths that have been pedalled by the Opposition. The Secretary of State mentioned in his statement that we would bring in a local government finance Bill. Can he say when it is likely to come to the House?

Mr Pickles: That, of course, is a matter for the Leader of the House and the usual channels. However, my hon. Friend is a perceptive Member, and he will have noticed that we are hoping to introduce the system by 2013, so we are not talking about the long term.

Steve Rotheram (Liverpool, Walton) (Lab): The American novelist John Updike once said:

"Government is either organised benevolence or organised madness; its peculiar magnitude permits no shading."

Given that the Government show no benevolence towards Liverpool—perhaps people can fill the in blanks for themselves—can the Secretary of State specifically guarantee that Liverpool will not see a real-terms cut in its funding after the first two years?

Mr Pickles: It is a wonderful thing to be quoting John Updike—but listening to the hon. Gentleman, I sometimes think that he might consider himself to be Master of the Universe, from another novel, "The Bonfire of the Vanities". Let us be clear: which authority would have benefited the most from this scheme? It is Liverpool, which would have done exceptionally well. If the hon. Gentleman had been paying the slightest attention to what I have been saying, rather than working up some smart quotation, he would have realised that Liverpool does well out of this system, because it—

Steve Rotheram: Yes or no?

Mr Pickles: Yes, it is going to do better out of this system, and I hope that the hon. Gentleman will get those on his Front Bench behind the process, because the system is designed to ensure that proud cities such as Liverpool no longer have to rattle the begging bowl. They can bring more money and resources in, and the people of Liverpool are the ones who will benefit.

Bob Blackman (Harrow East) (Con): Today's announcement has been long awaited. I commend my right hon. Friend on the steps that he is taking, but will he answer one question? If councils or local authorities want to encourage start-up businesses, will they be able to develop their own schemes to allow payment holidays on business rates, to enable them to encourage growth and enterprise in their areas?

Mr Pickles: The answer is yes—*[Interruption]*—although, as the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell) says from a sedentary position, they will have to pay for it. My hon. Friend and I have long talked about how to regenerate local authorities, moving them forward and giving them some pride. This is a day to celebrate, and the Localism Bill enables such reform to take place. Indeed, such reform is the clearest example of the other side of the Localism Bill: giving people independence through finance. That is something that we should celebrate.

Heidi Alexander (Lewisham East) (Lab): The Secretary of State has made great play of linking the fortunes of local businesses to the revenue of local councils. The previous Labour Government had a scheme—the local authority business growth initiative—which did exactly that. Why was one of his first actions in government to get rid of it?

Mr Pickles: The hon. Lady needs to try to remember what LABGI was actually like: it was an absolute disaster. Even the Lyons commission said that it was complex, unpredictable and not transparent. Let us remember that under Labour LABGI was chopped and changed. It was a three-year scheme that was stopped after one year, with the second year payments cancelled, and then it ran for two more years, following two consultations. LABGI totally failed to provide for business growth. The hon. Lady should therefore be rejoicing at the scheme that I have announced, because it does all the things that LABGI promised, without being complex, overbearing and, ultimately, a failure.

Mark Pawsey (Rugby) (Con): Businesses in Rugby will welcome the news that their payments to the local authority will be used directly to develop local services and attract new businesses. However, will the Minister confirm that provisions will be in place to ensure that other councils do not raise rates too high and drive firms away or out of business?

Mr Pickles: I am pleased to be able to give my hon. Friend that assurance, because for precisely the reasons that he suggested, we are retaining the existing formula, to ensure that councils benefit with real economic growth not increased taxation.

Andrew Gwynne (Denton and Reddish) (Lab): On 20 June I raised with the Secretary of State the potential impact of localising business rates on Tameside, which could see a drop in its funding of 35.7% a year. He tried to assure me that that would not happen—at least not in year one—but can he explain how the system of tariffs and top-ups will work, at no cost to central Government, if prosperous areas are to keep the proceeds but poorer areas are to be fully reimbursed? The maths just does not add up.

Mr Pickles: I suspect that the hon. Gentleman might not have given my initial statement the attention that he perhaps should have, because we made it absolutely clear that no council would lose out in year one—that funding continues—and local councils such as his will be able to enjoy the benefits of growth. Under the current system his local council might get a "Thank you" from the Secretary of State for showing initiative and bringing in new business, but the Government then immediately take the money back. We think that that money should stay with his local authority.

I remember the hon. Gentleman's previous question, and I said then that I thought he should defect to us. I still think that he should defect to us, but when he has an opportunity to read the submission document, I suspect that we might be able to arrive at a consensus, because what we are doing is not intended to punish his authority; rather, it is intended to unshackle his authority, for all the potential that it has. If you do not mind my saying so, Mr Deputy Speaker, I really do not think that the counsels of despair from the other side of the Chamber are reflective of the dynamism and entrepreneurialism that exist in local authorities.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I welcome the fact that the Secretary of State has included a significant redistributive element in his proposals. However, may I remind him that it remains the case that those authorities that have to do most to secure more business investment in the way of infrastructure development still have the least money with which to do it? The local government system really needs to take better account of that fact.

Mr Pickles: The local government system ensures considerable redistribution from more prosperous areas to less prosperous areas. One thing that will very much warm the cockles of the Deputy Prime Minister's heart is TIF—tax increment financing—which will give predictable incomes from business rates, ensuring that local authorities will be able sensibly and prudently to borrow against that.

Mr Iain Wright (Hartlepool) (Lab): I am concerned that my constituency will lose out by something in the region of £20 million each year, which obviously comes on top of the £5 million following the end of the working neighbourhoods fund, the slashing of council budgets by a quarter and the abrupt cancellation of the housing market renewal initiative. Will the Secretary of State guarantee that funds will flow back into Hartlepool after year two, and that the Government will invest for the long term in my town, rather than embedding poverty and deprivation?

Mr Pickles: The hon. Gentleman should speak up for Hartlepool. [HON. MEMBERS: "He is!"] That is, he should speak up in a way that he did not—or his predecessor did not—when the Labour Government took away area-based grants. When they did that, there was not a whimper from the Labour Benches. It is because of the good services of the coalition that we are able to introduce some kind of transition. The short answer to the hon. Gentleman's question is yes.

Andrew Percy (Brigg and Goole) (Con): My right hon. Friend referred in his statement to port rates. The Valuation Office Agency is now going round rating certain berths in Goole as sole-use berths, which means that businesses in my area are going to be significantly affected vis-à-vis other ports on the Humber. Is he going to review the role of the VOA as we move forward on local government finance?

Mr Pickles: Fortunately for the fate of the VOA, it is not accountable to me. It is a constant source of amazement and entertainment, but I hope that it will see reason so far as my hon. Friend's constituency is concerned.

Clive Efford (Eltham) (Lab): Can the Secretary of State tell us what local authorities will be doing to generate growth under the new scheme that they are not doing now?

Mr Pickles: God help us if the hon. Gentleman does not understand that. Local authorities work hard to bring new things into their areas and to ensure that there is a balance. The difference between this system and the existing system is that, at the moment, despite everything that the local authorities do, we take the money away from them and it goes back into a central pool. In future, they will keep that money, which will give them an incentive—*[Interruption.]* The hon. Gentleman clearly does not seem terribly familiar with the entrepreneurial system that exists. His counsel of

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despair is that we cannot do anything and should not do anything but continue to stand here with our hands out. That is not really a policy; it is a surrender.

Henry Smith (Crawley) (Con): I very much welcome my right hon. Friend's statement. Will he confirm that, contrary to the call from the Labour party, business rates will not be raised for small firms in my constituency or elsewhere in the country?

Mr Pickles: My hon. Friend makes a reasonable point. He will recall that we have introduced a simplified system for small businesses, to ensure that in the long term they will not have to fill in forms continuously in order to get the necessary rebate. Another important difference is that, unlike what was promised in the Labour manifesto, we are committed to keeping the formula. We are not going to increase the level of taxation, because to do so would have a disastrous effect for firms across the country and for the small firms in my hon. Friend's constituency.

Mrs Mary Glindon (North Tyneside) (Lab): Business rates from retail and commercial developments are at least five times higher than those from manufacturing in the north-east, but manufacturing is worth £7.5 billion to our economy. Is there a danger that manufacturing could lose out as retail and commercial developments are favoured as a better business rate bet?

Mr Pickles: I have obtained the briefing from the Association of North East Councils that the hon. Lady has just cited. It takes no account whatever of the fact that there is a tariff and a top-up. Opposition Members seem to think that we are dealing with some kind of Monopoly board on which local authorities can decide between retail and other developments. The truth is that the market will decide these things. Where the local authorities fit in is by not getting in the way of the market but working with it and deciding to go for growth. Opposition Members cannot honestly believe that local authorities can just sit there and say, "We'll have a supermarket on every corner." They cannot seriously believe that that is what the real world is like. Our proposals will remove a lot of the obstacles to growth.

Jackie Doyle-Price (Thurrock) (Con): My borough of Thurrock currently collects £92 million a year in business rates, but keeps only £52 million. Much of that contribution is generated by two areas, West Thurrock and Tilbury, which also happen to be the least affluent parts of my constituency. Does my right hon. Friend agree that it is much fairer if those communities benefit from the business rates that are generated in their area?

Mr Pickles: My hon. Friend makes a reasonable point. It has been said many times at this Dispatch Box that the problem with the existing system is that it does not take into consideration the difference between poverty and sparsity. There are whole sections of Essex and the Thames corridor where poverty exists but is simply not recognised by the formula. Our system will react very quickly, because the business rate value can show, in year, where things are going right and where they are going wrong. Many elements of the existing formula are rather outdated and very unreliable.

Dr Alan Whitehead (Southampton, Test) (Lab): I am reminded of Garrison Keillor, the American humorist, who describes Lake Woebegone as a place where

"all the children are above average."

Does the Secretary of State intend to have a year zero in order to achieve the outcome he has described, perhaps in 2013, whereby the present arrangements for business rates would be frozen and the change would start thereafter? Or is he proposing a change before that date? If he is proposing a change after that date, what does he mean by an area that "benefits disproportionately" from growth? Will he define "disproportionate" for us?

Mr Pickles: Of course I would be happy to do that. I am sorry that the hon. Gentleman's joke fell rather flat, but it was funny in retrospect. We will be adjusting the figures in 2013, assuming that we have leave to bring in the Bill, and we will provide an update on the latest figures because there are certain problems, particularly with regard to population. Members should understand that the figures will be based on the fact that relative need was increased to 83% so this is a very progressive settlement in terms of proportion, particularly for areas of relatively low income. Once the figures have been arrived at, we will continue with the new system.

Martin Vickers (Cleethorpes) (Con): I welcome the Secretary of State's announcements; anything that can be done to incentivise local authorities will obviously be beneficial. May I just query the section of his statement in which he talked about "a special local levy to capture a share of that benefit"? Local levies can of course sometimes be set at such a level as to create a disincentive. Will he elaborate on the level that he is considering?

Mr Pickles: I shall continue to answer the previous question as well, as I forgot to answer the point about disproportion. We need to understand that business rates grow in different parts of the country at different rates. If we did not have a levy, places such as Westminster, and Hammersmith and Fulham, would grow very quickly, and the amount of money coming in would be in the teens and twenties, although we would normally expect growth to be in single figures. We would therefore need to ensure that a levy was taken off, and we would use a sliding scale to achieve that. I always want to be in a position to ensure that, no matter how fast the growth—and even if it was only a tiny few pence in the pound—local authorities would continue to benefit. The more they grow, the more levy they will contribute to other parts of the country.

Helen Goodman (Bishop Auckland) (Lab): Taken to their logical conclusion, the Secretary of State's proposals will mean that County Durham will lose £130 million while the City of London and Westminster will gain £1.5 billion at the end of the process. Does not that demonstrate not only that the system is unfair but that the Secretary of State is further rewarding financial services while kicking manufacturing in the teeth?

Mr Pickles: I want to be absolutely clear: that is simply not going to happen. There will be no movement of millions of pounds from one part of the country to another, except in this sense: the north of England will continue to see money moved from the south—not out of charity—to ensure that, as part of England, it enjoys the growth in national wealth. The idea put about by Opposition Members that this means that County Durham is going to lose £x million is risible. Labour Members need to get themselves a policy, because that kind of opposition is simply pathetic.

Dan Byles (North Warwickshire) (Con): I warmly welcome this proposal, particularly the plain English guide attached to it—would that more Secretaries of State did the same! Is my right hon. Friend aware that the Labour-run Nuneaton and Bedworth borough council in my constituency owns many empty shops in the town of Bedworth? That drags down the town, but the council appears to make no effort to try to fill these shops, get them off the books and get them generating income. Will my right hon. Friend confirm that the measure he has announced today will give the council the incentive to do that and get those shops filled?

Mr Pickles: They will now. The folks of Nuneaton are about to see a lot more shops being filled. This is not unusual for any council anywhere in the world—except for England. Only in England do we have an incentive for our areas to get worse. If we were to look at councils in France, Germany and America, we would see the councillors sit down at the beginning of the year and then at regular intervals to say, "We've got empty shops; what can we do to fill them? How can we attract national names to come to Nuneaton to make the difference?" I guarantee my hon. Friend that that is exactly what will happen with his local council very soon.

Diana Johnson (Kingston upon Hull North) (Lab): I have listened very carefully to what the Secretary of State has said this afternoon, most of which I found to be gobbledegook. The thrust seems to be that everyone is a winner in this process. Let me tell the right hon. Gentleman that, barring an economic miracle in Hull, we will lose about £45 million by 2014-15. That is based on the figures produced in today's proposal. How is that going to help economic regeneration and lift people in my constituency out of poverty?

Mr Pickles: The hon. Lady should know better. Frankly, there is no point in just hurling vulgar abuse across the Chamber. She knows, and we know, that under this system a proud city like Hull has a better chance of being able to enjoy the fruits of its labour in bringing in investment. The hon. Lady should start speaking up for the city of Hull rather than decrying it. It is a fine city in the mouth of the Humber; it is time that she spoke up for Humber.

Heather Wheeler (South Derbyshire) (Con): I welcome my right hon. Friend's announcement. The people of South Derbyshire, with their go-ahead South Derbyshire district council, will be at the forefront of bringing this forward. For four years, we have been saying that we are open for business. This is absolutely excellent; this is what we need in the midlands today.

Mr Pickles: I am grateful for my hon. Friend's comments. This system was designed for the go-getter that she undoubtedly is, and it will do a lot of good for her council. We will ensure that this system releases local authorities from the shackles of failure.

Mr Andrew Love (Edmonton) (Lab/Co-op): Every time the right hon. Gentleman utters the words "fair" and "equitable", we become much more sceptical on this side of the House as we realise what is happening under this scheme. While Westminster will roar ahead over the next few years, councils like mine in Enfield in the outer boroughs of London will do very badly, yet many of the people who live in Enfield work in Westminster, and many of the businesses in Westminster are run by people from Enfield so there is an interdependence. What recognition will there be in the system that although many people contribute to the so-called growth in local authority areas, not all of them live there?

Mr Pickles: The hon. Gentleman raises a very important point. Already the London councils are working on a pooling system for the receipts of the business rate, and are fairly well advanced in their planning. The advantage of having pooling across London is that any growth in Westminster—the hon. Gentleman is right to say that it will indeed be great—will be shared with the people of Enfield. I urge him to look at the part of the consultation paper that deals with pooling. He makes a very reasonable point and something clearly has to be done about it. I would expect other parts of the country also to pool so that rich authorities and poor authorities can both enjoy the benefits of growth.

Brandon Lewis (Great Yarmouth) (Con): Does the Secretary of State agree that one of the most exciting parts of his statement is the opportunity opened up for local authorities through their freedom so that areas like Great Yarmouth, working with the county council and local businesses, might finally be able to invest in infrastructure and see the development of projects like the third river crossing, which were never possible under the previous Government?

Mr Pickles: That is certainly true, given the ability to have tax increment financing schemes in the projected Bill. That would certainly help my hon. Friend's constituency, which has not done particularly well out of the current grant system. I think that, with the help of the distribution, this has the potential to provide the good people of Great Yarmouth with an opportunity to develop the front and to look to that additional crossing.

Stephen Mosley (City of Chester) (Con): One of the advantages of enterprise zones is that businesses based on them will gain from business rates. Will my right hon. Friend confirm that local authorities with enterprise zones in them will not lose out as a result of this proposal?

Mr Pickles: My hon. Friend makes a very reasonable point. It is important for maintaining the advantages brought by enterprise zones that we do not count that money at all so that they get that sum absolutely free of any changes to top-up or tariff.

Gavin Barwell (Croydon Central) (Con): Can my right hon. Friend clear up some of the confusion of Opposition Members by confirming that the authorities that will benefit relatively from what he has announced today are not those with a large business rate base or those in particularly affluent areas, but those that will enjoy relatively high economic growth in future? At a time when our country is crying out for economic recovery, surely this is a strong and sensible piece of public policy.

Mr Pickles: My hon. Friend absolutely sums up the case for this change. It will ensure that local authorities enjoy the benefits of growth and that they will be in a position to generate more income directly by their actions.

Neil Carmichael (Stroud) (Con): Does the Secretary of State agree that linking increased yield of business rates to the activities and performance of councils really will help economic growth, particularly when localism too is thrown into the mix?

Mr Pickles: My hon. Friend makes an interesting point. By itself, this change to the way in which the business rate is collected and distributed would not bring about the necessary change. It is only when it is combined with the full effect of the Localism Bill, particularly the power of general competence, that its full importance can be felt.

Mr Marcus Jones (Nuneaton) (Con): Under my right hon. Friend's proposals, will councils be given the autonomy to encourage growth within our town centres—for example, by being able to offer incentives on non-domestic rates to fill our empty shops?

Mr Pickles: My hon. Friend raises an important point. The Localism Bill enables local authorities to be able to offer those kind of discounts, clearly demonstrating how the Bill and the reform of local government finance combine. I repeat that, despite the hot air and anger, it is our intention as far as possible to move forward on the basis of consensus. I hope that, when Members reflect and look at the consultation document, our proposals will receive enthusiastic support on both sides of the House.

National Policy Statements (Energy)

[Relevant documents: The Third Report of the Energy and Climate Change Committee, Session 2010-12, on The revised draft National Policy Statements on energy, HC 648, and the Government response of June 2011.]

Madam Deputy Speaker (Dawn Primarolo): I suggest that, for the convenience of the House, motions 1 to 6 should be debated together, and should be voted on at the end of the proceedings.

6.50 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): I beg to move motion 1,

That this House takes note of and approves the Overarching National Policy Statement for Energy (EN-1), which was laid before this House on 23 June.

Madam Deputy Speaker: With this we shall consider the following:

Amendment (e) to motion 1, leave out from 'of' to end and add

'the Overarching National Policy Statement for Energy (EN-1), which was laid before this House on 23 June, but declines to approve it until it is amended to insert in section 5.14.7 a direction to the Infrastructure Planning Commission to consider the impact on the waste hierarchy of energy-from-waste generating stations of over 50MW.'.

Motion 2—*National Policy Statements (Fossil Fuel Electricity Generating Infrastructure)*—

That this House takes note of and approves the National Policy Statement for Fossil Fuel Electricity Generating Infrastructure (EN-2), which was laid before this House on 23 June.

Amendment (b) to motion 2, leave out from 'of' to end and add

'the National Policy Statement for Fossil Fuel Electricity Generating Infrastructure (EN-2), which was laid before this House on 23 June, but declines to approve it until it is amended to include energy-from-waste generating stations to the list of covered technologies in section 1.8.1.'.

Motion 3—*National Policy Statements (Renewable Energy Infrastructure)*—

That this House takes note of and approves the National Policy Statement for Renewable Energy Infrastructure (EN-3), which was laid before this House on 23 June.

Amendment (a) to motion 3, leave out from 'of' to end and add

'the National Policy Statement for Renewable Energy Infrastructure (EN-3), which was laid before this House on 23 June, but declines to approve it until it is amended to omit energy-from-waste plants'.

Motion 4—*National Policy Statements (Gas Supply Infrastructure And Gas And Oil Pipelines)*—

That this House takes note of and approves the National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4), which was laid before this House on 23 June.

Motion 5—*National Policy Statements (Electricity Networks Infrastructure)*—

That this House takes note of and approves the National Policy Statement for Electricity Networks Infrastructure (EN-5), which was laid before this House on 23 June.

Motion 6—*National Policy Statements (Nuclear Power Generation)*—

That this House takes note of and approves the National Policy Statement for Nuclear Power Generation (EN-6), which was laid before this House on 23 June.

Charles Hendry: This debate is intended to fulfil our commitment to parliamentary approval of the national policy statements. The motion constitutes a further important milestone in the Government's programme to secure affordable low carbon energy which will make the UK a truly attractive market for investors in energy infrastructure.

Let me briefly explain the background to the national policy statements and the purpose of each one. I shall, of course, be happy to take interventions as I go through them. Members may find it convenient to concentrate on the subjects individually, but I am mindful of the number who wish to speak in the debate.

The national policy statements do not contain new energy policy or change the standard for consenting projects, but they set out clearly and for the first time the national policy that must be considered before the granting of consent to infrastructure projects that are examined by the Infrastructure Planning Commission and, when the Localism Bill has been enacted, by its successor. The policy statements are critical to the new fast-track planning system that will encourage developers to embark on energy projects without facing unnecessary hold-ups. It will also ensure that local people can have their say about how their communities develop, and that decisions are made in an accountable way by elected Ministers.

We urgently need new electricity-generating infrastructure to replace our ageing power stations. If we are to meet our ambitious carbon targets, we must electrify much of our industry, heating and transport sectors. That could mean doubling our electricity generation, with about 60 GW of new capacity coming on line by 2025. Over the next 10 years, a quarter of our generating capacity will close as old or more polluting plants close. As the reserve margin of spare generating capacity falls, the risk of interruptions to our energy supply rises.

More than half the new capacity that we urgently need should be met with renewable energy, and a significant proportion of the remaining capacity should be met with other low-carbon technologies. That is a real challenge. Business and industry tell us that investment in infrastructure will help them to create growth and jobs. By setting out the need for new energy infrastructure, including a mixed portfolio of electricity generation, the national policy statements will unlock that investment and provide market certainty.

As Members will know, having considered the Energy and Climate Change Committee's report and responses to the first public consultation in 2010, we made changes to the draft national policy statements and accompanying documents. Given the nature of the changes that we made, we decided to consult on the revised draft national policy statements between October 2010 and January 2011. Alongside our public consultation was parliamentary scrutiny of the revised draft statements. That work was undertaken by the Energy and Climate Change Committee, which considered the changes from the drafts that were consulted on by the previous Administration. The Committee then published a report, setting out 18 recommendations on the revised drafts.

We intend the national policy statements to be approved if that is the will of Parliament. My right hon. Friend the Secretary of State will designate them as quickly as is reasonably practicable. It has been suggested that designation should have been delayed until after we had reviewed them in the light of the electricity market reform White Paper which was published last week, but we do not think that delay is either necessary or desirable, as the policies have been developed in parallel to ensure they are consistent.

Paul Flynn (Newport West) (Lab): Does the Minister consider it wise to omit any reassessment of the costs of nuclear power, given that many countries have abandoned their nuclear power plans in the wake of Fukushima? Has he thought about a possible increase in costs, especially to guard against a natural disaster or a terrorist attack?

Charles Hendry: The hon. Gentleman, who understands these issues, will be well aware that the national policy statements concern not the costs of different technologies, but the planning consents for them. If companies decide that the costs have risen and are not affordable, and that they will not achieve a return, they will not go ahead with the investment, but that is not the subject of this debate. However, we have conducted a thorough assessment of the lessons that need to be learned after Fukushima to determine whether any adaptation is needed in the policy statements. That is why we have reflected further, and have taken more time to consider them.

The overarching national policy statement, EN-1, sets out the need for each of the different energy infrastructure technologies. It makes it clear that we need a diverse mix to provide affordable, clean energy. It explains the Government's policy on clean coal with carbon capture and storage and the need for gas and biomass electricity generation plants to be "carbon capture ready", and sets out the part that renewables and new nuclear power stations will play in meeting our emissions reductions targets.

Albert Owen (Ynys Môn) (Lab): As the Minister will know, the Select Committee was anxious for wave and tidal generation to be included in the policy statements. When does he intend to produce a national policy statement covering those important new technologies?

Charles Hendry: The hon. Gentleman knows that we attach tremendous importance to the potential of marine technologies. He will also appreciate that the national policy statements relate to major infrastructure projects involving more than 50 MW. There is currently no possibility of any marine technology of that scale. The national policy statements can be adapted in due course and will be reviewed over time, and as technologies of that scale emerge, it will be possible for a policy statement to be established. However, the schemes that we are currently seeing are much smaller, and can therefore be dealt with through the other planning procedures that cover them.

The overarching national policy statement explains the need for transmission networks, which are vital to get electricity into the grid—from locations where there is no existing network infrastructure—and to consumers. It also explains the need for gas and oil infrastructure to

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ensure that we can take advantage of diverse supply options for gas and oil. Some fear that our policies will lead to a "dash for gas". We understand their concerns, and we will keep a close watch on the electricity generation that is coming on line. If in the future we decide that our policies are not having the desired effect, we will review them, but the national policy statements are not the place for that review.

John Robertson (Glasgow North West) (Lab): As my hon. Friend the Member for Newport West (Paul Flynn) pointed out earlier, other countries are giving up nuclear power, and they will make a "dash for gas" to meet their base load. Has it occurred to the Minister that we may have to do the same in relation to our own base load?

Charles Hendry: The hon. Gentleman is right. We have considered that, and I look forward to giving evidence to him and his colleagues on the Select Committee tomorrow morning.

This is a permissive framework, which involves planning consents. It is not a case of people going ahead and building the plants. A range of other investment decisions need to be made in order for the final decision to be made, but at this stage what is critical is the establishment of a structure so that people understand how the planning system will work.

Dr Alan Whitehead (Southampton, Test) (Lab): The number of gas-fired power stations that are under way, constructed or at an advanced stage of planning substantially exceeds the figures set out in EN-1. Would the Minister be prepared to table amendments to it, in the light of the reality of actual construction as opposed to what is in the document?

Charles Hendry: I hope I can reassure the hon. Gentleman that that will not be necessary. When the decision is finally made, it will be legitimate to take account of the fact that if the disbenefits were considered to outweigh the benefits, consent would not need to be given. If it were felt that consent was being given to too much higher-carbon generation capacity and therefore that environmental issues—low-carbon issues—were seen to be more important, that would be a material factor to be taken into account. That can already be done through the system. The hon. Gentleman is absolutely right to point out that we have a significant amount of consented gas for which there is not currently construction. That also brings us to part of the problem: at the moment, we are not seeing anything like enough investment and construction work in our energy infrastructure.

Mark Tami (Alyn and Deeside) (Lab): As nuclear stations take 10 years to build and the older stations are closing, and as renewables are not generating as much energy as the Minister would like, is it not inevitable that gas will fill the vacuum?

Charles Hendry: There is a continuing need for gas, and the hon. Gentleman has set out the time scales accurately. We face a challenge: we have to get twice as much investment in our energy infrastructure in every year of this decade as was achieved in the last decade. We need a step change in those investment levels, but as he rightly says, there will be a continuing role for gas as well.

Mr Iain Wright (Hartlepool) (Lab): Is the Minister worried about China? It is continuing with its nuclear programme, and about half the world's nuclear generators will be built in China in the next 20 years or so. Skills, capability and resources will therefore gravitate towards the east. Will that place difficulties on our ability to keep the lights on?

Charles Hendry: We all have to be very mindful of the situation in China. In the time it will take us to build one nuclear power station in this country, it will be building dozens. We have to understand the pressure that that creates for the construction process and the skills challenges. However, I have visited the hon. Gentleman's constituency and have seen, along with him, the investment going into nuclear skills there, and more generally into the low-carbon economy, and I am very encouraged by what I have seen not only in Hartlepool, but in many other places around the country: businesses, councils, trade unions and others are working together to ensure we have the necessary skills to deliver the construction of plant.

This is not the time for explicit single-sector emissions caps. We recently set the level of the fourth carbon budget in line with the Committee on Climate Change recommendation. This amounts to a 50% reduction in emissions against 1990 levels for the period between 2023 and 2027. It would be wrong to introduce new planning conditions for one part of one sector in the national policy statements when we have already introduced legislation on emissions for all sectors together. Each technology-specific NPS sets out particular issues that apply. As the need case in the overarching NPS states, it is vital to have investment in clean fossil fuels to ensure that we have a secure supply of diverse energy generation.

Caroline Lucas (Brighton, Pavilion) (Green): The Tyndall Centre has said that even the targets of the fourth carbon budget would provide only a 56% to 63% chance of avoiding a 2° C rise in average global temperatures. Is it not therefore the case that even the fourth carbon budget is not setting the right targets?

Charles Hendry: The hon. Lady knows what has happened. The Committee on Climate Change has made recommendations to us, and we have responded to them, and we were widely seen as one of the world leaders in this respect; the United Kingdom is well ahead of most other countries. It would be helpful if she would sometimes welcome the changes and the advances being made, rather than always saying it is not enough. It is appropriate to recognise in the course of these debates that Britain has shown real global leadership. There is cross-party agreement on that, and it should be welcomed.

The fossil fuels NPS—EN-2—explains what drives site selection for power plants and the practical requirements for carbon capture and storage. Together with relevant bits of EN-1, the EU emissions trading scheme and our own policies on an emissions performance standard, it will give developers confidence that there is a stable regime under which they can invest in the fossil-fuel

generating stations that are necessary to provide the essential back-up for intermittent generation from some forms of renewable energy, or perform as low-carbon generators themselves, fitted with carbon capture and storage.

Malcolm Wicks (Croydon North) (Lab): Will the Minister update the House on the progress of the carbon capture and storage programme? When does he expect the first major CCS project to be up and running cleanly?

Charles Hendry: I welcome the right hon. Gentleman's interest and expertise in these matters. As he knows, we took on some of the work of his Administration by allocating an extra £1 billion for the first full-scale CCS project—the largest amount any Government anywhere in the world had given to a single project. Over recent weeks, we have been negotiating very carefully with the interested parties about how we can deliver what we want in terms of the knowledge transfer and output for the CCS project, based on what they believe is achievable for the funding. Those discussions are ongoing, and we hope that they will be brought to a conclusion with the first plant being operational by 2015.

We have also said there will be three other projects, and we have evolved the policy we inherited from the previous Administration by saying that one of them should be on gas, in recognition of the long-term role gas is likely to play and the significant interest in this country in developing gas technologies. At a time when other Governments are slipping back their time scales for CCS, it is encouraging that the UK programme has been moving forward. I hope the right hon. Gentleman will warmly welcome that.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): My hon. Friend the Member for Hartlepool (Mr Wright) mentioned China. Does the Minister share my concern about the number of coal-fired power stations still being built there, in that the development of that CCS technology may be accelerating in places other than the UK and we may lose out on the opportunity to export some of the skills and expertise that we might otherwise be able to export if things were to move a little faster here?

Charles Hendry: The hon. Gentleman makes an important point. When the original competition was set out by the right hon. Member for Doncaster North (Edward Miliband), the thinking behind it was that we should be developing technology in this country that we could sell to the Chinese. The reality is that the Chinese are rapidly trying to develop technology that they want to sell to us. We have a strong opportunity to lead. We have some of the world's leading technological and academic experts, and we have fantastic sequestration facilities in the depleted oil and gas fields in the North sea. The UK should be in a position to lead in this area, but we are mindful of the point the hon. Gentleman makes: other countries are equally determined to get there ahead of us. That is why the focus on delivering those four plants has been so important.

The renewables NPS—EN-3—addresses sustainability of biomass, how waste incineration plants fit into the statutory waste hierarchy by using waste that would otherwise go to landfill, and specific impacts of onshore and offshore wind farms, including visual impacts, noise from onshore wind farms and collision risks for birds and bats.

Mr Andrew Love (Edmonton) (Lab/Co-op): As the Minister has just suggested, incineration is considered in the renewable policy statement, yet it produces significant quantities of CO_2. Should it not be redesignated under the fossil fuel category?

Charles Hendry: It is important to put this in its proper place in the waste hierarchy. There is a clear commitment between us and the Department for Environment, Food and Rural Affairs. The waste policy it has recently produced sets out that incineration should be considered for electricity generation only after all other options, such as recycling and reuse, have been looked at. We also recognise, however, that it is better to try to find ways of using it for electricity generation than to put it into a landfill site with the inevitable consequence of the methane gas it will emit, which is many times more dangerous than CO_2. This needs to be seen as part of the waste hierarchy, to which we are absolutely committed, but we must also recognise that the generation option is better than going down the landfill route.

Nicky Morgan (Loughborough) (Con): I am encouraged by what the Minister has just said, but would it not be better if the statement—or the Minister now, on the record—were to make that clear? He will be aware that many constituents throughout the country are very unhappy about the idea of having incinerators located near them, and if we want to move to a low-carbon economy we must take people with us.

Charles Hendry: My hon. Friend makes an important point. There is a strong case for smaller, local waste facilities because people understand the connection between them and their local community and the waste it has produced. We are also seeing a range of new technologies coming on, such as pyrolysis and the gasification process, which are very clean technologies and which we are very keen to encourage. The national policy statements apply only to larger facilities. My concern about any suggestion of taking this element out of the national policy statements is that the Infrastructure Planning Commission would then have no guidance whatever in making a determination on a large plant. That would create havoc; it would be much worse for local communities and it would create many additional anxieties. Therefore, the way in which we have incorporated it in the statements, which are to be read in conjunction with the waste review, is the right way to approach this in an holistic manner.

Jeremy Corbyn (Islington North) (Lab): The Minister is discussing renewables and technology. Is he not concerned at the relatively weak state of British manufacturing's capacity for solar generation, either for hot water or for electricity? Does he envisage Government intervention to try to strengthen those necessary and valuable industries in order to take advantage of an very fast-growing market?

Charles Hendry: Again, the hon. Gentleman raises an important point. We have made changes to the feed-in tariff to focus on microgeneration, as was the original

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intention. The nature of the tariff will drive forward significant investment in solar. We have to recognise that the UK is not a game changer in the pricing structure of solar, because our market will always be smaller than that of countries where there is greater potential for solar. Nevertheless, we want solar to achieve what it can in this country, and we want an industry to grow up to support that and deliver the products.

Andrew George (St Ives) (LD): The Government have a coherent and ambitious plan for major renewables. In addition to the green investment bank, the energy market reform and the fourth carbon budget, how will the national policy statement aid genuine renewables more than the other energy sources covered by these statements?

Charles Hendry: The purpose of the national policy statements is to facilitate the planning process. What we hear time and again from people keen to invest in different parts of our energy infrastructure is that the planning process is one of the biggest blocks to their being able to make progress—huge amounts of renewable energy are blocked in the planning process. The statements are intended to give greater clarity to investors and to those who are making the decisions, so that our process can not only be much faster and much more constructive, but can provide appropriate engagement for local communities, because we are equally committed to ensuring that their voice is heard in decisions on how their communities evolve.

Mr Wright *rose—*

Charles Hendry: I hope that the hon. Gentleman will understand that, given the number of Members who wish to speak in this debate, it is fair to take only one intervention from each Member.

Mike Weatherley (Hove) (Con) *rose—*

Charles Hendry: And here is another one.

Mike Weatherley: We have been talking about waste disposal, particularly in the nuclear industry. The statement refers to underground storage, which is unproven but technically feasible. Does the Minister agree that it is pointless going ahead with a nuclear programme unless we have somewhere to dispose of the waste?

Madam Deputy Speaker (Dawn Primarolo): Order. Before the Minister rises to his feet, this would be a good point for me to inform the House that this debate is due to end at 9 o'clock, there have to be wind-ups at the end and 18 Members in the Chamber have already indicated that they wish to take part. There is going to be a time limit and, at the moment, it is getting shorter and shorter. So those who wish to speak might want to hold back on their interventions.

Charles Hendry: Thank you for your strictures, Madam Deputy Speaker. I will be very observant of them in considering which interventions to take.

My hon. Friend does make an important point. We are working with communities that have volunteered to take forward some of this work to see whether there are appropriate locations for a waste disposal facility, and we are committed to making this happen. We have expressed an ambition that we should have such a facility open 10 years earlier than previously planned—by 2029 rather than at the end of the 2030s. I hope that that will show to him and others our commitment in this area.

On the renewables national policy statement, we do not specify areas in which to locate wind farms, nor have we placed limits on generating capacity in each area, although, as in all cases under the Planning Act 2008, it will be open to the Infrastructure Planning Commission—or, through the Localism Bill, to Ministers—to refuse an application for consent if it considers that the adverse impacts outweigh the benefits. To complement the electricity generation national policy statements, policy statement EN-4 addresses requirements for gas and oil infrastructure and EN-5 addresses those for electricity networks. Changes in the pattern of supply and demand, and shifts in technology mean that we will need more of both those types of infrastructure in the coming decades.

Electricity transmission networks most familiarly mean overhead lines supported on pylons, and it is only that type of connection that requires Planning Act consent. Considerable concern has been expressed about the impact on landscapes of an increasing number of networks. The overarching NPS and the electricity networks NPS make it clear that developers should consider undergrounding or subsea cables for transmission networks. The electricity networks NPS also explains that although it would be preferable for grid connections to be applied for at the same time as the generating infrastructure it is associated with, there are circumstances where this may not be economically sensible. We have also stated that the Holford rules should be followed when developers are planning the routes of proposed overhead lines. That actually strengthens the policy, because before this NPS the use of the Holford rules by developers was voluntary.

Tessa Munt (Wells) (LD): I hear what the Minister says. I hope that once the IPC has some guidance, perhaps from the failure of the KEMA study, Sir Michael Pitt and the IPC will have some other way of considering the undergrounding and subsea options on the basis of costs that are realistic and that they will be judged against the work that has been done, both in this country and abroad.

Charles Hendry: I could sense that my hon. Friend was going to intervene even before she had risen to her feet, because she has been such an assiduous campaigner on these issues. That work is being taken forward. We want very robust evidence about the alternative costs, and I hope that she is reassured by my words about the need to consider alternatives.

The sixth NPS is on new nuclear power stations. It sets out the issues to be considered as part of the planning process where new nuclear power stations are proposed; a number of other matters are, of course, considered under other regimes. It also identifies the eight sites that we have concluded are potentially suitable for new nuclear development. That provides an important degree of clarity for industry and communities over the next few years. However, any application to build a nuclear plant on those sites still needs to go through the

same rigorous processes as any other proposal under the Planning Act. The nuclear NPS also clarifies how the IPC should consider any issues regarding waste during its examination of an application and the role of the regulators and their relationship with the IPC. In addition, we have set out how applications for non-listed sites are treated by the IPC.

Damian Collins (Folkestone and Hythe) (Con): My hon. Friend knows that my constituents are disappointed that Dungeness was not included on the list of eight sites approved in the NPS. If there were problems with one or a number of those eight sites, would there be scope for allowing a site such as Dungeness to come back into play?

Charles Hendry: We were not limited to eight sites in the process that we went through. We decided that eight of the sites that developers had proposed to us were appropriate and could realistically be developed by 2025. Our concerns about Dungeness related to the special area of conservation, which is protected by law, and we were not persuaded that we could comply in that regard if the site was being developed. We have said that in every other respect Dungeness fulfilled the criteria, so if the special area of conservation issues can be satisfactorily resolved there is no reason why Dungeness could then not come forward separately.

David Mowat (Warrington South) (Con): Will the Minister give way? Just once more?

Charles Hendry: Just once more then.

David Mowat: I am enjoying the Minister's comments about nuclear. He may have seen the recent Parliamentary Office of Science and Technology—POST—note on carbon emissions, which stated that over the life cycle nuclear produced one third as much carbon as solar. Is that properly reflected in the thrust of these statements in their entirety?

Charles Hendry: My hon. Friend raises important issues, but they are not addressed in the national policy statements. The statements are about the planning rules—the background to which decisions on new applications should be considered. There is considerable debate, which he will appreciate is being led inside and outside this Chamber, on the relative low-carbon merits of different technologies.

Following events at Japan's Fukushima plant in March, we asked Dr Weightman, the UK's chief nuclear inspector, to produce an independent report on the lessons to be learned from the incident and the implications for our nuclear industry. The interim report was published in May and a full report is due in the autumn. We have now carefully considered the planning policy in the national policy statements in the light of the findings of the interim report. We particularly note Dr Weightman's conclusion that he sees no reason, in considering the direct causes of the Fukushima accident, for curtailing the operation of nuclear power plants or other nuclear facilities in the UK.

The interim report does not identify any implications for the strategic siting assessment of new reactors and we do not believe that the final report will, either. That does not change the guidance within the nuclear national policy statement, which says that the Infrastructure Planning Commission should consider flood risk, including from storm surge and tsunami, and should consult the nuclear regulators as part of that consideration. We are satisfied, therefore, that the nuclear national policy statement can proceed.

Approval and designation of the national policy statements are vital steps on the path towards our 2050 targets. By setting clear and consistent policies on energy infrastructure, development consent decisions can be made on a firm basis that is transparent to all, but this is true only when national policy statements are designated. While they remain in draft, the Infrastructure Planning Commission and other decision-makers can treat them only as "relevant and important", not as the primary documents they are intended to be. Although the Infrastructure Planning Commission—or its successor—would consider them, until they were designated developers would not be given the confidence in Government policy that would encourage investment. Approval, followed by designation, will make the national policy statements primary documents. They will therefore provide certainty and stability for developers and investors looking to make new infrastructure proposals.

The national policy statements for energy infrastructure are a vital component of the coalition's programme for government. They will promote investment in energy infrastructure, delivering growth and jobs. They will help us to achieve our carbon emissions targets and they will secure our supplies of affordable low-carbon energy. I commend the motion to the House.

7.21 pm

Huw Irranca-Davies (Ogmore) (Lab): I am pleased we are debating the national policy statements after we discussed them in draft form in December. Our debate then was short and our debate today will be even shorter—I hope the Minister joins me in deeply regretting that fact. We cannot do justice to the number of national policy statements and to the Members present in the Chamber, who will, I suspect, have roughly an hour and a half for debate once I have concluded my remarks, and that is terrible.

The final national policy statements, if they are approved by the House, will be critical in achieving a green, affordable, secure and diverse energy future. The building blocks for that future were, as the Minister suggested, shaped under Labour and we want them to be put in place without any further delay. Much has happened since our debate in December. We watched the terrible incidents in Fukushima unfold and, rightly, across the globe, across Europe and across the UK, we sought to see what lessons we needed to learn. The Minister is right to say that in the UK we did not rush to judge but carefully examined our sites, a process that is ongoing under Dr Weightman, while all countries across the EU carried out their own stress tests. Understandably, and with our support, the Minister delayed the NPSs, including the one on nuclear, to allow proper consideration to be given to those events.

We agree firmly with the conclusions reached in EN-1 and EN-6: nuclear, as a low-carbon proven technology, could play a key role in diversifying and decarbonising our energy and in meeting our climate

[Huw Irranca-Davies]

change objectives. It is a proven low-carbon technology that can be deployed on a large scale and could complement carbon capture and storage, if it is successful, renewables and fossil fuels as part of the mix. The eight identified sites in EN-6 are potentially—I stress potentially—capable of development by 2025. Many in the green movement, although not all of them, now recognise these and other benefits of nuclear generation, although those who have long been opposed to the technology should be respected for their views, too.

Paul Flynn: My hon. Friend will know that there are plans in the document to build new nuclear power stations at Oldbury and Hinkley Point. If those power stations are built, large areas of Wales will fall within the diameter that has been set for the no-go area at Fukushima. Should not the people of Wales be fully consulted on those plans, in the interest of localism, before they go ahead?

Huw Irranca-Davies: I would expect the people of Wales, the Welsh Assembly Government and the National Assembly for Wales to have a full input and I am sure that the Minister, when he concludes, will be able to confirm that that is exactly what would happen. My hon. Friend's point is very well made: such a decision cannot be made unilaterally and there has to be input from across the regions, too.

I said that those who doubt the technology should be respected, and not long ago the Secretary of State was one of those doubters. Confronted with the evidence and, I guess, with office, he has changed his tune. I must tell the Minister that the manic contortions of the Secretary of State over the financial support for nuclear have surpassed those of a Chinese acrobat in recent weeks. Last week, during the electricity market reform statement, when challenged by his party colleagues, he laid out three financial mechanisms that could support the development of new nuclear facilities alongside other low-carbon technologies. He did that to explain to the House that there was no subsidy for nuclear.

As the Secretary of State has come out of the closet on nuclear, he ought to stop trying to hide his embarrassment. The expansion of low-carbon technologies does not come free and they will all—onshore and offshore wind, biomass, future wave and tidal, CCS and nuclear—require some support and market intervention to drive in the levels of capital required. The medium to long-term protection that that gives through the diversity of energy security is in the interests of UK plc and we support it.

We do not, however, support sleight of hand or the appearance of double dealing. The carbon floor price announced in the recent Budget is a pretty poor way of generating the new low-carbon investment that the documents envisage. It was, in fact, a back-door windfall for existing nuclear and renewables to the tune of £1 billion and a far from stealthy Treasury tax grab of £740 million in 2013-14 rising to £1.4 billion in 2015-16. That decision shook confidence in DECC's grasp of electricity market reform, shocked some of the big six utilities on which the Minister explicitly depends for the level of new investment required and it hammered the energy-intensive users, risking exports of jobs abroad along with carbon leakage. It gives carbon tax a bad name and shows who is in charge of DECC policy: the Chancellor.

On EN-6, although it is good to see the groundwork physically being dug for the first of the new generation of stations at Hinkley Point, will the Minister tell us when he anticipates that the first such station will be completed and online? Can he give us an indication of the dates for bringing the others online? Will he please not say that it is entirely up to the market, as that would suggest that he has not met any nuclear operators over the past year? He has, as I have, and I am sure he will have some idea of when that will happen.

John Robertson: Is my hon. Friend concerned, as I am, about the grid for some of the new power stations and, for that matter, renewables and about how the energy will get into the system for people to use?

Huw Irranca-Davies: Very much so. That is the benefit of having the package of NPSs to consider tonight, as we need to deal with the grid connectivity, too, to which I shall return in a moment. My hon. Friend makes a good point.

We are also considering EN-3 on renewable energy. Since we last debated the draft NPS on renewables, we have learned that the UK has dropped out of the top 10 global league tables for investment in renewables. That is quite a feat for the greenest Government ever. We have not just slipped out; we have bombed out. We have crashed out from having the fifth highest inward investment according to global rankings at the end of Labour's Administration to having the 13th, according to the Pew report, in just one year. Today's NPSs, including that on renewables, are part of the end-of-term report for the greenest Government ever, which states: "Must do better. After early promise, fails to live up to expectations and has gone backwards in many areas."

The renewables document, EN-3, however, will succeed because it is built on very good foundations. It is welcome that the Government have made good on Labour's ports competition and have started to build the manufacturing, distribution and servicing base in our ports, which will see a massive boom in our offshore wind. That builds on the consenting regime for offshore that was already under way under Labour. Those measures will provide crucial green jobs in manufacturing, engineering, design and maintenance up and down hard-pressed coastal regimes and in supply chains across the country, so they are to be welcomed. With streamlined planning in place, we will have the potential to create several hundred thousand jobs and to reduce emissions of carbon dioxide by hundreds of millions of tonnes as we head in the direction set by the previous Government.

Mr Love: An answer to a question in January showed that incineration produces more CO_2 than gas-fired facilities. Are we not giving incineration an incredibly favourable position by including it in the renewables statement rather than in the fossil fuel statement?

Huw Irranca-Davies: I understand the sentiment behind my hon. Friend's question. The difficulty is the broad scope of the term "waste incineration", as many different types and technologies come under that category. The issue is addressed in some of the amendments, including

two tabled by the hon. Member for Brighton, Pavilion (Caroline Lucas), to which I shall return. My hon. Friend makes a very valid point and we have to be very confident that we are not going backwards by including certain things.

Let me direct Ministers' attention to the bold statement in EN-1 that

"the Government supports a move across the EU from a 20% to a 30% emissions reduction target by 2020."

That is very good, so can the Minister explain in his concluding remarks why his party's Members in the European Parliament voted against those same proposals two weeks ago? It is so disappointing that wave and tidal power have taken a back seat in the Government's plans again despite this national policy statement. Given the slashing of Labour's marine renewables funds, the shelving of any proposals whatever—big or small—for the Severn estuary, the worrying noises from within the industry, in which people are looking to invest abroad, and the long wait for wave and tidal technologies to be properly recognised in the renewables obligation certificates fund, it is no wonder that the head of RenewableUK described the £20 million, out of a £200 million low-carbon innovation fund, that was given to the Government's flagship marine scheme as

"a drop in the ocean".

Albert Owen: My hon. Friend is making a very powerful point about marine technologies. The Secretary of State has said that the mature technologies do not require a subsidy or any Government support, but does my hon. Friend agree that the technologies he is talking about have yet to be developed and will never become mature unless they get the Government support that is needed?

Huw Irranca-Davies: My hon. Friend makes an absolutely key point. If these technologies are to get up to large industrial and commercial scale, they need support; that cannot be done in any other way. Labour showed that with what it did with offshore wind and we need to replicate that in this regard. Hon. Members should look at the way the Scottish Government are driving ahead with these technologies in terms both of consents and of the ROC structure. Wales has immense potential but we also have potential all around the English coast.

In light of the documents, what specific plans do Ministers have to make sure that the maximum possible benefits from the huge and imminent expansion of renewables, notably in offshore wind but also in onshore wind as well as in other renewables such as biomass, large-scale wave and tidal technologies—if we get to that level—and energy from waste, stay in the UK in the form of jobs, skills, training, manufacturing, distribution and economic growth? The Secretary of State's repeated warm words about green jobs will generate no dividend whatever if all the relevant technology and skills are imported. How will the Minister of State, Department of Energy and Climate Change, the hon. Member for Wealden (Charles Hendry) help Mabey Bridge of Chepstow —a company he knows very well from his recent welcome visit to open its new turbine shaft manufacturing plant—to secure contracts from the many multinational companies that are currently sourcing many of their parts, labour and skills overseas?

The same question has to be asked in relation to the other national policy statements about nuclear, carbon capture and storage and all the other technologies in which we could be developing green jobs in manufacturing and a world-leading competitive edge in green expertise and knowledge. The purpose of our amendment (c), which was not selected—I understand why, Madam Deputy Speaker—was simply to remind the Minister to get a move on and do what he promised. We were promised the green economy road map in April, but April came and went, as did May and June, and here we are in July, with the House rising tomorrow or the day after. Did he mean April 2012, perhaps? A year that started with a tragic decision and lost jobs in relation to the Sheffield Forgemasters' loan was depressed further by the UK's falling out of the global top 10 for renewables investment and the unseemly mess of the feed-in-tariffs fiasco. It is now ending with the Minister having lost the green economic road map. Perhaps he is waiting for the return of a Labour Government to get us back on the road to green jobs; we would love to oblige. If not, will he just do what he said he would do and show us his road map?

Jeremy Corbyn: My hon. Friend will have heard the point I raised with the Minister about the relative weakness of the British renewables industry. Does my hon. Friend think that a lot more could be done through local planning guidelines on new buildings to ensure the generation of electricity and of course more hot water from solar methods, which would in turn generate industry in this country?

Huw Irranca-Davies: I entirely agree. I have huge support for what my hon. Friend suggests for energy generation in individual houses and on estates—driven by local authorities and with private landlords. It is also about making sure that people benefit from the measures we put in place. It should not be just a one-way channel with the big-six companies providing energy, but with energy being sent the other way.

On carbon capture and storage and carbon capture readiness, the EN-2 document is good as far as it goes, but what is less good is the Government's progress to match ambition to reality. As the document notes, CCS could potentially scrub as much as 90% of carbon emissions from fossil-fuel power generation. It gives us a real chance to bolster our energy security by maintaining wider diversity in the energy mix. Labour recognised that: as the Minister said, we ran the competition for the first large-scale CCS demonstration project. We also identified £1 billion-worth of funding on which the Minister is following through. He is to be commended for holding his Treasury colleagues' feet to the fire and keeping the £1 billion at the ready. We had the announcement on the first CCS project this time last year, early on in the coalition. It was repeated in the emergency Budget, then in the comprehensive spending review and again in the recent Budget statement—it has been announced more times than the spring, summer and autumn sales at DFS—but what have we actually had? What money has been spent or work carried out? The answer is zero, zilch, nowt.

Charles Hendry: Let me give the hon. Gentleman a chance to put the record straight. Will he confirm that under the last Labour Budget there was no funding whatever for the CCS project and that it was only when we came to power that we gave real money to it—£1 billion, which is more than any other Government anywhere in the world have given to this sort of work?

Huw Irranca-Davies: I can put the record straight: not only had we identified the project but we had pledged the money for it.

Charles Hendry *indicated dissent.*

Huw Irranca-Davies: Indeed we had: the CCS competition was up and running. Instead of having a delay of a year and waiting for some announcement, we would have been getting on with it now.

That is just the first project. We have also, as we have heard tonight, been promised projects 2, 3 and 4, depending, of course, on Mr Chancellor being his usual generous self and/or on European new entrant reserve funding—or perhaps on the tooth fairy at some point. If our amendment on CCS had been selected, we would simply have been asking the Minister to put our money—taxpayers' money—where his mouth is.

If CCS is successful on an industrial scale, it will help with diversity and security of energy by making gas and coal part of our low-carbon future. Without it, the energy sources in these national policy statements—coal imminently and gas very soon after—are doomed in the UK. It has to work. Without it, the opportunity for Britain to lead the way in research, development and industrial application and to develop a world-lead in the export market will be missed. More to the point, we have a moral responsibility to do this. To all the people who argue that no fossil fuel can ever be clean, I say, "Look at China's increased generation of energy every year, which is equal to total UK energy capacity. Look at China building one traditional 'dirty' coal-generating plant every single week," because if we are serious about our intent to tackle international climate change, what greater opportunity is there to help others tackle their and our addiction to traditional, wasteful fossil fuel burning and create opportunities to lead in this innovation?

EN-5 deals with electricity networks infrastructure and the multibillion pound investment required. The whole House will want to wish National Grid a happy 75th birthday, but when you are 75, things start to creak a little and things fall off—present company excluded, Madam Deputy Speaker, including yourself. We not only need the investment in maintenance, but we need to link up parts of the country that are currently energy deserts. We need to develop more two-way connectivity to allow the generation that was mentioned to and from new locations, to develop a smart grid over time, and to deal with the potential doubling of electricity demand.

EN-4 anticipates the need for new gas import infrastructure and storage capacity to help avoid the volatility in prices to which we are now subjected and to provide gas security. The national policy statements that we have not touched on cover environmental and other planning issues exhaustively. The Minister's officials are to be congratulated on their hard work across the board.

Underpinning all the welcome NPSs before us, the EMR last week, the new energy Bill, which we anticipate some time in the coming parliamentary Session, and the current Energy Bill, which seems to have been lost in action temporarily, is the need not only to tackle our energy consumption by demand-side measures and energy efficiency and to have new energy production that is low carbon and increasingly renewables-based, but to resolve the most complex of energy conundrums in the most cost-effective way possible. The Minister and his Secretary of State are in danger of losing the argument for new generation energy before they have even begun. They have lost focus on the need for affordability, for UK plc to remain competitive internationally, and for people to be able to pay their bills without making the choice between eating and heating.

Two of the amendments tabled by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr Havard) have also been tabled by the hon. Member for Brighton, Pavilion. I have spoken to my hon. Friend about my worries that at this late stage, with the need to get the national policy statements completed, any of the amendments could add further delay to the already delayed NPSs. However, I have great sympathy with his desire to see that the waste hierarchy is effectively applied to all energy waste. Although I cannot support his amendments if they cause delay, I join his call for the Minister, perhaps in his concluding remarks, to make it clear that outside the NPSs, the IPC will have to take account of the waste hierarchy and make the right decisions.

I think the Minister will agree that, as I said at the outset, it is disappointing that these national policy statements, which will underpin our energy future in the UK, have so little time to be debated today, but it is good that they exist. As so many hon. Members wish to speak and so little time is available, I simply say to the Minister well done on getting to this point. It has been long awaited and we understand why. We can afford no more delay, dither or uncertainty. Ernst and Young's recent report stated baldly:

> "Compared with the level of ambition, clarity of policy direction and scale of investment being delivered by a number of other countries, the UK is in danger of being left behind."

The Secretary of State needs to put a bit more of his energy into delivering our energy future.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. We have approximately 55 minutes left to take 18 speakers. I shall set a time limit from now of five minutes on all Back-Bench speakers. That means that not everybody will get in if every Member takes five minutes. Out of courtesy and consideration for fellow Back-Bench Members, Members might like to curtail their speeches. They can do the maths as well as I can.

7.44 pm

Glyn Davies (Montgomeryshire) (Con): I begin my contribution to the debate by putting my cards clearly on the table. My constituency, Montgomeryshire, is threatened as never before in its history—threatened not by military might, but by energy policy and by an invasion of wind turbines, electricity pylons and substations on a scale that will destroy the natural beauty of mid-Wales and desecrate its landscape. I owe it to my constituents who sent me here to do everything within my power and within the law to limit such desecration. More specifically, I speak with a total commitment to defeating National Grid's mid-Wales connection project, a monstrous proposal which underpins it all.

The national policy statements are hugely significant documents. I wanted—but I am not able—to spend a considerable amount of time referring to all the positive

points in those documents. I shall concentrate on the one aspect that concerns me most. We know that we are facing a huge problem. We must face the reality that the United Kingdom faces on energy. The coalition Government have no choice but to tackle the problems facing future supply. Action has been delayed too long and previous Governments have ducked difficult decisions. Our existing nuclear power generating capacity is nearing the end of its life. We cannot allow ourselves to become dangerously dependent on imported energy from less stable parts of the world, and we have signed up to moving towards a low carbon economy.

Those factors have led many of us to reassess some of the opinions we once held with certainty. After being an opponent of nuclear power all my life, I have recognised now that it is essential. After opposing the Severn barrage all my life, I recognise now that we must encourage the private sector to come forward with a realistic proposal. Perhaps the most important thing of all is that we drive forward with our innovative green deal to reduce energy use. But I do not believe that we should sacrifice the countryside of Britain for a technology that satisfies Government objectives in only the most superficial and short-term way.

To create a massive overdependence on onshore wind would be a short-sighted and costly mistake, driving millions of the poorest people into fuel poverty and costing Britain thousands of jobs for a marginal benefit. Mid-Wales is facing a prospect that it has never thought about before. The National Grid's mid-Wales connection project envisages a new 400 kW cable stretching from the heart of mid-Wales down one of our narrow valleys to the existing grid in Shropshire, some 30 miles distant. It involves a 20-acre substation and about 100 km of cable, and because it is a connection dedicated to wind farms, it will eventually involve about 600 additional wind turbines. It is an horrendous prospect.

Mr William Cash (Stone) (Con): Will my hon. Friend give way?

Glyn Davies: No, I am sorry, I do not have time. I cannot give way. I owe it to other speakers.

The project has led to the rising of a people's protest unmatched by anything in my lifetime's experience. Even the First Minister of Wales and his Welsh Government have issued public statements opposing the substation and opposing the line. I have time to touch on only two points this evening, and those are crucial. The national policy statements give leviathan-like powers to the Secretary of State through the approval process. My first point relates to the attitude of people towards onshore wind. I suspect that in mid-Wales most people were generally supportive of the concept of onshore wind, until this proposal came forward. Now, as far as I can see, the whole of mid-Wales has turned against the entire sector and is linking up with other organisations across Britain to take on the sector. I have never seen anything so unified.

The second point is about the unity of the United Kingdom. If we manage somehow to force the project on Wales when the people are against it, the First Minister is against it, his Government are against it, and both branches of the coalition parties in government here are against it, we will create an unmatched degree of resentment. I suggest that the Minister Google the word Tryweryn when he goes home, and he will understand that previously we had an occasion when external demands for power would have desecrated Wales. The people rose up in opposition, and they will do so again if the project goes through.

7.49 pm

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): I have tabled three amendments to the national policy statements motions—amendment (c) to motion 1, amendment (b) to motion 2, and amendment (a) to motion 3. I have one minute in which to speak to each one, so I will try to get the end of my speech in first. I say to the Minister that, on the arguments about delay, and if he accepts any changes, I understand the need for clarity, which is partly what I am arguing for, and that the industry needs some sort of certainty on the plan. A supposed delay in the national policy statements would not mean that applications could not be made, proceed and be heard. I know that because an application is currently being heard for a huge incinerator in my constituency that would take 750,000 tonnes of non-recycled waste every year and generate 65 MW of electricity.

That perversity has come about by default, in the sense that the Minister, having decided that waste should be part of the IPC process, has set a minimum requirement of 50 MW, which has almost invited the industry to come forward with applications for huge developments. The industry has decided that it will have various sub-UK regional units, and has used this opportunity to do exactly that. Nothing has been said about the proximity principle.

Local people are trying to decide how best to deal with their own waste locally. Part of the solution might be smaller incineration, and I do not contest that. I contest the scale of the current proposals, which is why I have tabled the amendments. As an hon. Member said earlier, the argument for moving this material into the guidance on fossil fuel is about the fact that it produces a huge amount of carbon. I understand the argument about why methane is better than carbon because it can be captured and used. In fact, the incinerator proposed in my constituency, basically as part of a current open-cast mine, is next to a huge landfill site. So there is a triple alliance. They are capturing the methane from the landfill site and selling it, so to me that is something of a false analysis.

The question is whether such activities are green. In the context of the proximity principle, I fail to understand how it is green to drag waste from one end of the country to another without adding carbon into the calculation. I also fail to understand how it could be carbon-neutral to import waste, because my great fear is that the way this guidance is structured means that it will not be about waste policy, but about opportunities for people to speculate on energy generation, ignorant of a waste policy. The receiving stations for the waste will be at ports, to come by rail and road to be burned. The sustainability of these mechanisms is questionable. If we are to move to zero waste the amount of potential fuel supply will reduce—and rightly so—so how sustainable will they be over 25, 35 and 40 years? They might be sustainable if we were to burn the waste generated by the Camorra in Naples and import it into Newport to do that, but heaven forfend that such a thing should take place. Well, not now.

[Mr Dai Havard]

The waste hierarchy is not simply about local questions of determination. In the longer term it could go much further, so I invite the Minister to choose, of all the amendments I have tabled, to put this method into the IPC's consideration process. If it is not possible to do it this way, will he please explain how it should be done, because at the moment we have a series of factors that it is apparently not to examine. It seems that the list of what not to examine, including connection and the grid, is more important than the list of things it is to examine. That means that it cannot determine any particular decision in the round, in its proper context—certainly not in relation to energy supply under the waste hierarchy.

I say to the Minister that there are security problems here. If we choose to have a smaller number of larger units, that is not secure. We should be looking for a more distributed process. That is what I thought the Assembly in Cardiff was trying to think about. This trumps anything that the Assembly would want to do. It is a policy that applies across England and Wales, yet it denies the Welsh Assembly Government the opportunity to make a real decision. That is why I proposed to take it out of the processes. That would not have stopped wind energy and all the other things, but it would have given them the opportunity to determine that, so I ask the Minister—with very little time now to speak to the amendments properly—to take account—

Madam Deputy Speaker (Dawn Primarolo): Order. I call Martin Horwood.

7.55 pm

Martin Horwood (Cheltenham) (LD): I rise to speak to the nuclear national policy statement in particular on behalf of the Liberal Democrat party, and to state our clear and unchanged view that nuclear power is unsafe, unaffordable, uninsurable, unpopular, not renewable, not decentralised, not particularly reliable, and not the kind of energy that the greenest Government ever should ever be caught promoting. When we are already paying £1.5 billion a year in nuclear clean-up and decommissioning costs from the previous generation of nuclear power stations, when we still do not know how, when or where we will dispose of the last 64 years' worth of radioactive waste, and when country after country is abandoning nuclear power, it is extraordinary that one of the national policy statements before us today seriously proposes embarking on a new generation of nuclear power stations.

Mr Jamie Reed (Copeland) (Lab): I am extremely grateful to the hon. Gentleman for giving way, but he must desist from peddling the myth that the decommissioning costs that this country faces are entirely due to the civil nuclear programme. Does he not accept that most of those costs are due to our military programme?

Martin Horwood: I accept that a percentage of them are—we have debated this at length in relation to the Energy Bill—but the hon. Gentleman must accept that a huge bill is still falling on taxpayers in this country as a result of the last generation of nuclear power stations. Why would we want to risk repeating that mistake?

I acknowledge that nuclear power is a relatively low-carbon energy source, but it is not renewable. Uranium is very far from being a renewable resource, and may prove to be very expensive if more of the world chooses to follow us down this dangerous path, although few would do so if even the insurance costs of nuclear power were accurately reflected in its price. One estimate suggests that French nuclear power might be four times as expensive if the French taxpayer were not the insurer of last resort.

I also acknowledge—I agree with the Minister on this point—that fulfilling our future energy needs is a challenge. The overarching national policy statement sets out the need for urgency, with one quarter of the UK's generating capacity due to close by 2018, but the nuclear NPS states on page 235 that applicants only have to provide a plan that is

"credible for deployment by 2025".

It even states that

"a detailed project plan...will not normally be needed."

The worldwide experience is that not a single nuclear power station has ever been built on time, on budget or without public subsidy. It is very doubtful what contribution nuclear will make to closing the energy gap.

Albert Owen: Will the hon. Gentleman give way?

Martin Horwood: I will give way, for the last time.

Albert Owen: The hon. Gentleman has made his party's position on new nuclear very clear, but where does it stand on extending the life of existing nuclear plants so that low-carbon generation can be extended to bridge the gap that he talks about?

Martin Horwood: There is already an issue relating to existing nuclear, as the floor price for carbon will give it an undeserved subsidy for no actual change in behaviour.

Planning for the energy gap pales into insignificance beside the time scales that have to be imagined for waste disposal and site safety. It is those long-term dangers that should concern us most. Politicians are often criticised for a lack of long-term foresight, but certainly not this Government. The historian in me is delighted to report that we are making policy today for the mid-22nd century and beyond. On the very long-term scale there is the moral question of whether material that is likely to be dangerously radioactive for millennia should ever be intentionally created, however safely we plan to store it. We can know as little about societies 1,000 years from now as the Anglo-Saxons could have known about us. To talk of long-term storage, accessibility and monitoring arrangements over such time scales is utterly meaningless. We are leaving a toxic legacy to future generations about which we can know absolutely nothing.

The NPS does not appear to pay any attention at all to those issues, but it does have something to say on rather shorter historical time scales. In relation to those, Ministers are acting not so much like Anglo-Saxons making policy for today, but like Gladstone or Disraeli trying to determine our current waste disposal policy. The NPS states, on page 239:

"Geological disposal of higher activity waste from new nuclear power stations is currently expected to be available for new build waste from around 2130"

That is on the assumption that spent fuel rods kept on site will have cooled sufficiently for disposal in geological disposal facilities. Every decade of activity will add another decade to the end disposal date.

Hon. Members are today being asked to make nuclear waste disposal policy well into the mid-22nd century. Of course, policy making on such a time scale is not remotely practical, and the NPS admits as much. On page 239 it says:

"it is possible that there could be waste on site for longer than the assessment has been able to look ahead. Predictions of potential climate change impacts become less certain the further into the future the assessments are for, and it is not practicable to consider beyond 2100 at this stage."

That is an interesting contrast with the Weightman report, which explicitly evaluates risk only in so far as that is reasonably practical and does not even address the major cost of evacuation and dislocation that has emerged at Fukushima.

Why are we being asked to approve a policy with risks that will be significant into the mid-22nd century when the NPS itself admits that those are not practicable to foresee, and the Government's own safety adviser has not even tried to address them? The NPS talks of additional safeguards to cover these risks, saying that applicants need to

"identify the potential effects of the credible maximum scenario in the most recent projections of marine and coastal flooding"

and demonstrate that they could take "further measures" if necessary. I suspect that Greenpeace, Friends of the Earth, WWF and the No Need for Nuclear campaign, and all their lawyers, will no doubt take full advantage of those words, with scope for years of argument and debate. If I were an investor in new nuclear, I would not be holding my breath for a return on investment before 2025.

The jury is still out on the long-term effects of Fukushima, but it is already clear that even without a major Chernobyl-style meltdown 50,000 people have still been displaced, and there is a bill running to tens of billions of pounds—and, as always, the taxpayer is being asked to foot the bill.

The real lesson, if I can paraphrase this in parliamentary language, is: stuff happens, and when it does, nuclear power is the worst possible energy source to have lying in its path. At this of all times, we should reassess our national commitment to nuclear. I know that the radioactive tendencies in the Tory and Labour parties make the passing of this policy statement inevitable, but we must challenge every licence and its capacity to withstand the worst-case scenario of climate change, and we must challenge every hidden and indirect subsidy that will make nuclear power possible.

8.2 pm

John Robertson (Glasgow North West) (Lab): It is a pleasure to follow the hon. Member for Cheltenham (Martin Horwood). I have heard it all before, and I still do not agree with him. I stand here as chair of the all-party nuclear energy group, so it would not take a genius to work out where my sympathies lie. The hon. Gentleman talked about the stone age, and that is exactly where he would like us to be. We are trying to develop a future—somewhere we want to go to. Eventually, one day, man will have to solve the problem of his own survival and move to another planet. It is pretty clear that the hon. Gentleman did not wait for the spaceship before he went there.

I am bothered by what the Minister said about the time delay that has, once again, been introduced. I attacked my own Government on the length of time it took them to put their policies together, and here we are again, not much further forward than we were at the time of the last general election. I accept that the national policy statements are needed, and I support them. If there are votes, I will support the Government on this, because it is vital to this nation. It was said earlier that there was no solution to the problem of nuclear waste, but there is. Anybody who wishes to go to Oskarshamn in Sweden will see that technology in action. The good news is that Sweden has taken the next step and is now building its new repository.

Mr Reed: We all want CCS technology to succeed and prosper. Does my hon. Friend agree that although Members in all parts of the House seem to be betting the farm on CCS succeeding, what we know about radioactive waste disposal is significantly well in advance of what we know about carbon capture and disposal?

John Robertson: I thank my hon. Friend for his intervention. If anybody knows anything about nuclear power, it will be him, as Sellafield is in his constituency and he deals with it on a day-to-day basis.

My hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr Havard) did well in speaking to his amendments in a very short space of time. He and the hon. Member for Montgomeryshire (Glyn Davies), who is not in his place at the moment, said that they dislike incinerators. The good news is that people who live around nuclear power stations do not dislike them; in fact, they see them as a source of wealth and a way of developing further.

It would be remiss of me not to mention Scotland at this point. These NPSs apply to Scotland as well, energy being a matter that is reserved to this House. We can abide by all of them north of the border except on one thing, which is the most important in the development of any new technology or, for that matter, old technology—planning. In Scotland, planning can be used to stop new nuclear power stations or wind farms being built anywhere, whether offshore, onshore or anywhere else. That is wrong, and the Government and this House should take a careful look at it. Thousands of jobs and billions of pounds are involved in building a nuclear power station. The west of Scotland, in particular, will need 9,000 jobs in a few years' time, and we are not going to get them thanks to a Government north of the border who use the planning rules to stop nuclear development, all because of a doctrine and an ideology followed by many people in this House—the hon. Member for Cheltenham is one of them—that has nothing to do with how real people have to live their lives now and in future.

I have heard the talk about Fukushima. Although everybody in this House regrets what happened there, the fact is that the problem was not the nuclear power station but the tidal wave that hit it.

Martin Horwood: Will the hon. Gentleman give way?

John Robertson: No, I will not.

I do not believe that anybody has, as yet, been killed because of the nuclear power station. Tens of thousands of people have been killed thanks to the tsunami, but that is unfortunately the way things are going.

Martin Horwood *rose—*

John Robertson: I have already said that I will not give way to the hon. Gentleman.

Base load for this country is very important, as is the cost of energy. Two of the big six have already put their prices up. It is the Government's job to try to make sure that we bring these people to task, but we do not want to give them loads of money to build wind farms in places where they are no good and a waste of money, as we have seen in many places in Scotland. I want a level playing field in energy for everybody. If there are no subsidies for nuclear, there should be no subsidies anywhere else. If we are looking to try to promote low carbon, then so be it. However, my wee old ladies up in Drumchapel, an area of my constituency that is one of the poorest areas in the country, are worried about how they are going to pay their electricity bills at the end of this year. That is a bit more important than whether we build a wind farm in the middle of nowhere that is a waste of money and that we are subsidising.

8.8 pm

Mike Weatherley (Hove) (Con): There are many items in the national policy statements that are to be commended. Were it not for a trip that I made a number of years ago, it is unlikely that I would be addressing the House about my concerns over nuclear power. It is important that emotions do not blur the facts that form the substance of this debate, but it was incredibly difficult to suppress the strength of feeling that overwhelms one when visiting the small, now deserted town of Prypiat, which is now in Ukraine.

I intend to highlight why I believe that the quest for new sources of nuclear power, as a means of producing energy, should be halted. Although I am sure carbon emissions have a place in this debate, my concern about nuclear is focused elsewhere. It can be divided into three main categories: first, the financial viability, without Government subsidy, of any new nuclear facility; secondly, how new nuclear waste can realistically be disposed of; and thirdly, but most importantly, human and animal safety.

I am acutely aware of the need for new ways to generate power. If nuclear generation really was the only option, I would of course support new nuclear power plants. We cannot allow the lights to go out. However, nuclear power will not keep the lights on. I believe that cleaner fossil fuel plants, which are relatively fast to build, renewables, and state-of-the-art decentralised power stations are better alternatives.

Steve Baker (Wycombe) (Con): Will my hon. Friend give way?

Mike Weatherley: In the interests of the debate, I have to continue. I am ever so sorry.

I find it very worrying that the Government are providing significant subsidies, met by the taxpayer. Subsidies are a useful tool for kick-starting new investment. They occur in a number of ways for a wide variety of sectors, but nuclear power should not be part of that.

Disaster insurance is another factor that must be considered, as we heard earlier. Vast liabilities fall to the taxpayer. European law caps insurance liability to £1.6 billion for the industry, and payouts after that fall to Governments. Estimates are still being formed for the recent disaster in Japan, but it is thought that it will cost in the region of £60 billion. Shortfalls like that could cripple our economy.

The second category is that of waste products, which I mentioned in my question to the Minister. Unfortunately, how we will have clean, effective and safe waste management for future nuclear radioactive waste remains unanswered. Underground storage has been suggested, and I thank the Minister for his earlier reply, but at the moment that is only technically achievable and is not a proven reality. Future waste costs are unknown and rely on technology that is yet to be proven to work. That risk from an inevitable by-product is unacceptable.

The final category is safety. The Chernobyl disaster, 25 yeas ago in 1986, brought home to the rest of the world the fact that nuclear power is phenomenally dangerous, and not just in the immediate vicinity of the disaster but across a wide, Europe-sized area. It is well-documented that radioactive caesium was detected in a number of upland areas in the UK. An Environment Agency report from last month states that in 2009 restrictions were still in place for 343 farms or part farms, affecting 190,000 sheep. Twenty five years on, there is still a considerable legacy for the UK from a nuclear disaster some 1,200 miles away. Indeed, freshwater fish in Cumbria still show signs of contamination. Worryingly, the maximum radiation dose that any member of the public would receive from eating those fish was assessed to be up to 10% of their annual limit.

No monetary cost can be put on the devastation should the highly unlikely but possible eventuality of a nuclear accident occur. The national policy statement says that

"the risk of radiological health detriment posed by nuclear power stations (both during normal operation and as a result of an unplanned release) is very small."

Let us note that it does not say "zero". A nuclear disaster may be a remote possibility, as we were told in 1985.

Mr Reed: Will the hon. Gentleman give way?

Mike Weatherley: No, I have only got another minute. [[Hon. Members: "You would get an extra minute."] I know, but it is fairer to other people if I keep going.

If a nuclear disaster did happen, the consequences would be immense. The question I ask today is whether it is really worth the risk. We must balance slightly cheaper electricity against an unknown cost that would dwarf any expenditure contingency plans. I say that it is not worth it and we should not take the risk. I urge the Government to reconsider their nuclear programme.

8.13 pm

Phil Wilson (Sedgefield) (Lab): We are all aware of the need to fight climate change and we all have a role to play. This is an issue we need to face as a nation. The question is whether we are facing it as a nation and whether all parts of the nation are playing the same part. Are we all in this together? I would say that we are not. Whether one can stake a claim to the accolade, "We're all in this together" depends on where one lives.

I speak for a region and a county that can fairly say that they are playing their part in the fight against climate change. Our commitment to generating energy from renewable sources is exceptional. Durham county

council was the first local authority to produce a renewable energy strategy back in 1994. In County Durham, 22% of our renewable energy needs are met from renewable sources, predominantly wind. We have 16 wind farms with 65 turbines that generate more than 120 MW of power. That provides for the energy needs of 69,000 houses. In Chilton in my constituency, Dalkia has built a biomass facility with the support of the local community, which generates up to 17 MW of electricity. The wind farms at Trimdon Grange, Walkway and Butterwick generate 44 MW of electricity from 21 turbines, which are all more than 100 metres tall or four times the height of the Angel of the North. The county also produces renewable energy from hydro and landfill.

My part of the country is playing its part, especially when compared with other parts of the country. In the context of the national policy statements, we should look at how the rest of the country is sharing the burden of renewable energy generation. The latest figures from the Department of Energy and Climate Change show that the north-east is producing more than 40% of its energy needs from renewable sources when all approved schemes are taken into consideration. That is equivalent to the regions of London, the west midlands, the south-east, the north-west, the east, the east midlands, and Yorkshire and the Humber combined. The north-east is producing 563 MW from approved renewable energy schemes, which is more than twice the figure for the south-east and the south-west.

The position on wind farms is even more telling. County Durham is again playing its part, but what about the rest of the country? There are significant schemes in Scotland, Wales, Cornwall, Cambridgeshire and Yorkshire. Let us look at the members of the Cabinet. Only five host wind farms in their constituencies. The largest wind farms are in the constituencies of the Secretary of State for Scotland, the right hon. Member for Berwickshire, Roxburgh and Selkirk (Michael Moore), and the Chief Secretary to the Treasury, the right hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander). The former has 226 turbines and the latter 259. However, those constituencies are huge. The first covers nearly 1,500 square miles and the second approaching 2,000 square miles. That is equivalent to one turbine per 6 to 7 square miles. E.ON is to announce a wind farm in my constituency with up to 45 turbines. If that was added to those already in existence and in planning in the Sedgefield constituency, there would be 78 wind turbines in 151 square miles, which is one turbine per 2 square miles. Hampshire, where the Secretary of State for Energy and Climate Change has his constituency, consumes three times as much energy as County Durham and produces zero of its energy from renewable sources. That is not all of us being in it together.

Over the past 30 to 40 years, Durham county council has done an excellent job in reclaiming the pit heaps that once scarred the landscape. It did not do that for the landscape to be reindustrialised, and this time without the thousands of jobs. It does not have to be like that. Renewable energy needs to be produced, but there must be more efficient ways of doing it.

Martin Horwood *rose—*

Phil Wilson: I will not take interventions because I am thinking of other colleagues.

An example is the biomass facility in Chilton built by Dalkia, which produces 17 MW of electricity. A written answer that I received from the Minister of State, Department of Energy and Climate Change, the hon. Member for Wealden (Charles Hendry), last week stated that wind turbines are 21.5% efficient. Therefore, it would take 40 turbines to produce the same electricity as the one biomass facility in Chilton. Strangely enough, that is about the same number that E.ON wants to build on a 16 sq km site just to the south of the village and on part of a site of special scientific interest. No doubt the company will produce a handsome community chest for the area. However, when that is compared with the population of 40,000 and the increase in energy prices that my constituents face, not to mention the thousands of pounds to be received by a handful of landowners to see the area blighted for 25 years, it is asking too much.

Of course there is a need for renewable energy and for a national plan. However, that plan must involve the whole nation and it must share the burden, not just the benefits.

8.18 pm

Mr Peter Lilley (Hitchin and Harpenden) (Con): This country faces a serious threat of black-outs unless we undertake a major programme of building new generating capacity to replace the existing plants that are coming to the end of their lives or that will no longer be legal under EU directives. I strongly support measures to streamline the planning process so that that construction programme can go ahead and, in particular, to encourage the development of nuclear after 12 wasted years in which there was a failure to move ahead with the nuclear programme.

We will be able to avoid the black-outs only if all our effort is put into this unprecedented construction programme. I do not believe that the country can afford, in addition, to build generating capacity that has no real use. That is what a lot of these measures are about. The Secretary of State for Energy and Climate Change said in a recent article that the measures he is introducing will deliver "secure, affordable energy". They will deliver neither secure nor affordable energy. Renewables are not secure. The sun does not come out at night, it does not come out in the winter very often, and it does not come out when it is cloudy. It is not available when we most need the energy.

Wind is intermittent. The recent Stuart Young report stated that wind plant operates at less than 20% of its capacity over the country as a whole for half the time, less than 10% for a third of the time and barely 1% for one day every month. For each of the four highest periods of peak demand in 2010, it operated at only 4.7%, 5.5%, 2.6% and 2.5% of capacity. Precisely when we needed it most, wind was not there.

For some reason, people ignore the lessons of the past. The great Victorian economist Jevons wrote back in 1865:

> "The first great requisite of motive power is that it shall be wholly at our command, to be exerted when, and where, and in what degree we desire. The wind, for instance, as a direct motive power, is wholly inapplicable to a system of machine labour for during a calm season the whole business of the country would be thrown out of gear."

Those who seriously believe that we can run this country on wind power are living in a dream world and are harking back to the middle ages.

[Mr Peter Lilley]

Nor will this programme produce lower costs. The Secretary of State said that it would keep bills lower than they would be if we stuck with the existing arrangements, but I find that statement completely indefensible. We cannot lower the cost of energy by requiring people to use more expensive types of energy. If we replace low-cost energy with high-cost energy, we will not and cannot reduce the costs, yet that is the whole thrust of the programme. The Renewable Energy Foundation and the Committee on Climate Change agree that it will cost £100 billion in subsidies to 2030, which is equivalent to more than £200 a household a year, to support renewables.

We know, fortunately, that the Government do not really believe they will bring down costs or that renewables costs will rise less rapidly than those of hydrocarbons. If they did believe that, there would be no need for subsidies. They would not be forecasting £100 billion of subsidies if higher hydrocarbon costs or reduced costs of renewables would make the latter economic without subsidy. Sadly, the Secretary of State does not live by the logic of his own position but instead puts forward rhetoric that is neither defensible nor supportable. I wait to hear in his winding-up speech whether the Minister can explain how we can get lower costs from higher-cost energy.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We are running out of time, so brevity is important. If hon. Members have already spoken, I think it is quite wrong for them to try to intervene, as there is a very limited time for the debate.

8.22 pm

Caroline Lucas (Brighton, Pavilion) (Green): I am very happy to follow the earlier speeches of the hon. Member for Hove (Mike Weatherley) and, perhaps less surprisingly, the hon. Member for Cheltenham (Martin Horwood). I only wish that the latter and his colleagues were in a position to vote according to how they have spoken if there is a vote later this evening. Time is very short, and I wish to make just three points. One is about the overall targets in the national policy statements, one is about energy from waste, and I will finally say a few words about nuclear.

When I intervened on the Minister earlier about the overall emission reduction targets set out in the fourth carbon budget, I sensed a certain irritation that I kept standing up to make the point that although the targets were ambitious compared with other countries—I certainly give the Government that—they were not ambitious enough. I am sorry if that makes me a bit of a Cassandra in the House, but the Tyndall Centre, one of the foremost institutes on climate change in this country, states that the targets set out in the fourth carbon budget set us on course for having only a 60% likelihood of avoiding the 2° C temperature rise threshold. If I were to say to anybody in the House, "If you step on this aeroplane, it's got only a 60% chance of reaching its destination safely", the chances are they might just think twice before getting on the plane. It seems extraordinary. If any other area of Government policy was knowingly designed with such a low chance of success, we would be up in arms, so why are we not when it comes to the very survival of the planet?

Let us not forget that the 2° C threshold is not the distinction between acceptable climate change on the one hand and dangerous climate change on the other. It is the difference between dangerous climate change and very dangerous climate change. That is the lens through which I would like us to look at the national policy statements tonight.

I wish to make a brief point in support of the hon. Member for Merthyr Tydfil and Rhymney (Mr Havard), who rightly questioned the Government's classification of incineration or energy from waste as a renewable energy source. Given that a significant amount of the material that goes into incinerators is not made from renewables, and that they can often emit at least a third more carbon dioxide than a modern gas-fired power station, it is hard to see quite why they are considered a renewable source.

Furthermore, massive new incinerators such as the one at Newhaven, near my constituency, lock local authorities into providing huge quantities of waste for very many years. The contracts last many years and, under them, a minimum amount of waste is required to feed the incinerators. We are therefore locked into the process, which inevitably discourages waste reduction, reuse and recycling efforts.

The final point that I wish to make is about nuclear. Nuclear power is unsafe, uneconomic and, more than anything else, simply unnecessary. We do not need it. Of the Government's 17 possible pathways to delivering 80% CO_2 reductions by 2050, four include no energy from nuclear or coal by 2035. A recent report by WWF and others concluded that by 2050, it would be perfectly possible to generate 95% of global energy supplies from renewable sources alone. There would of course be a need for up-front investments to make the transition, in the order of 1% to 2% of global gross domestic product, but the report also found that that investment would turn into a positive cash flow after 2035, leading to a positive annual result of 2% of global GDP in 2050. In place of nuclear, renewables are quicker to deliver, can meet our energy demands and have a huge potential to boost the UK's economy. There are far more green jobs in renewables than there ever are in fossil fuels.

It is not those of us who advocate renewables who are living in the dark ages. To the contrary, it is Members such as the right hon. Member for Hitchin and Harpenden (Mr Lilley), who seems not to know about such things as storing energy, European super-grids or the fact that we are talking not about one single energy source but about a whole range of renewable sources that, together, can provide the energy that we need if the political commitment and will is there. Nuclear energy is incredibly unsafe, as Fukushima has shown us, and massively expensive. More than ever, it simply is not needed. I call on hon. Members to consider that carefully when we hopefully come to vote on it later tonight.

8.27 pm

Nicky Morgan (Loughborough) (Con): It is a pleasure to speak in this debate on these important statements. I will try to keep my remarks brief, because I am very conscious that other hon. Members want to speak. I entirely endorse the Minister's comments that we need a clear planning regime for major infrastructure in this country. That is what these statements are about—facilitating the planning process.

I wish to talk about national policy statement 3, the inclusion of energy from waste, and in particular incineration. I am not against incineration per se, but I am in favour of it being a last resort, which is why it is important to tie this in with the waste review and the waste hierarchy. However, I am most against not listening to people. I listened with interest to the remarks of the hon. Member for Glasgow North West (John Robertson), who is not in the Chamber. He said that people who live near nuclear power stations did not seem to mind them, whereas people who live near incinerators very much mind them. That is absolutely the case, and I shall explain in a moment why I have a local interest in that respect.

I also want to focus on the planning system, localism—an important tenet of this Government—and the waste review. Localism will mean nothing if local communities are not sufficiently empowered to tackle potentially damaging developments in their area. In my constituency, there is a proposal to site an incinerator near Newhurst quarry, Shepshed. Many of my constituents feel that their voices have not been heard, either in the Environment Agency process for the granting of the environmental permit, or in the planning process. I am delighted to say that the county council has so far resisted giving planning permission to that incinerator, but we are about to go round the houses again with a new planning application and an appeal against the original refusal.

I speak for many constituents when I say that the planning system continues to disfranchise local communities, and often seems to favour large developers, who are able to ride roughshod over the views and concerns of local people. The views of local people are not taken into account in the planning process, and it would be helpful if the Minister could clarify in his winding-up speech or another time whether the statements could define the role and position of local communities in relation to the Infrastructure Planning Commission. At the moment, that seems to be very much a national planning infrastructure body, and the voice of local communities could easily be forgotten or ignored.

The statements explicitly state that the IPC should

"consider how the accumulation of, and interrelationship between, effects might affect the environment, economy or community as a whole, even though they may be acceptable when considered on an individual basis with mitigation measures in place".

That is an important point to bear in mind, because all to often, planning decisions seem to be made by considering many individual factors rather than the impact that a development might have on an area as a whole. Incinerators will often have a cumulative negative impact on the character of a local area.

I do not have time to say much about two other aspects of the planning system—visual amenity and the impact of incinerators on historical environments—but it seems that incinerators, which often need large stacks to make them work, cannot possibly be seen not to have an impact on the visual amenity of an area.

People are very concerned about the health issues in respect of applications for building incinerators. I wrote to the Health Protection Agency on 29 June and received a response at the end of last week. Although it reiterated its usual position—that the health effects of modern municipal waste incinerators are not harmful—it also acknowledged public concerns and it confirmed that it is in discussions with researchers at Imperial college, London, about a potential study into birth outcomes around municipal waste incinerators. It is currently in the process of drawing up a detailed proposal.

That is where I come back to my original point: we must not forget the views of local communities. As I said in my intervention on the Minister, if we want this country to follow a low-carbon future, we must take people with us.

I think I have made my point on the role of incinerators—it must fit in with Government waste policy—and an Opposition Member has already mentioned the parliamentary answer he received on 17 January about the carbon that is produced by incinerators. Therefore, in conclusion, I must admit that I was tempted by the amendments, but I take what the Minister has said—that energy from waste means something broader than just incinerators—and on that basis, I shall not back them. However, it would be helpful to have a clear understanding of the place of incinerators in the waste hierarchy—I welcome the Minister saying that they are low down in that. The voice of local communities must not be forgotten.

8.32 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I know that other hon. Members wish to speak, so I shall try to be briefer than the five minutes allowed. There is a lot of detail in the documents, and it is a shame that we are not able to have a longer debate on some of those issues.

In his opening remarks, the Minister talked about the need for certainty in the marketplace, as he has a number of times. I am sure that he is as concerned as I am at the quarterly Ernst and Young survey, which shows that energy infrastructure investment has fallen in the past year. I mentioned carbon capture and storage, skills and export potential in an intervention, so I shall not repeat that point.

My hon. Friend the Member for Glasgow North West (John Robertson), who is no longer in the Chamber, made a point about nuclear in Scotland. I wanted to place on record the deep irony of the position. The separatist Administration in Scotland, with their anti-nuclear policy, seem quite content, effectively, for the base load to be imported from what will be, in their wishes and by that time, a foreign country, to keep the lights on in Scotland.

However, I wanted to make a couple of specific points in relation to the documents, particularly in relation to EN-3 and the impact on commercial fisheries. The document refers to discussions with representatives of the fishing industry about the safety zones that might restrict or exclude activity around offshore wind turbine developments, which has been raised with me by fishing representatives—it is not a direct constituency interest, but it is an interest for a number of people in Scotland. Will the Minister explain further—if he cannot do so in his summing-up, he could do so by writing later—what mitigation will be in place for those industries and communities that are reliant on fisheries? Perhaps that also relates to the Crown Estate, which is also referred to in that policy statement. Will he say whether we can look at the community benefit when Crown Estate revenues are derived from offshore wind developments? When we talk about community benefit, for example in Scotland, it does not mean that the benefit should go to Edinburgh: it means that it should go to the communities that will be adversely affected.

[Tom Greatrex]

My hon. Friend the Member for Ogmore (Huw Irranca-Davies) referred to creaking grid infrastructure, which is a crucial point to marry up with these policy statements. So too is the transmission charging regime, and the Minister will have heard me make this point on several occasions. The way in which the transmission charging regime works at the moment has been portrayed in some forums as anti-Scottish discrimination. I would not put it in those terms—it has probably been done for political purposes—but we are encumbered by a regime that is designed for a pre-renewable age, and we need to ensure that it is fit for purpose, alongside the infrastructure that is needed in the national grid for renewable energy. It is important to look at geographical signals and how they have changed in relation to where electricity will be generated in the future. That is why I welcome the Ofgem TransmiT review and I hope that Ministers will respond to any recommendations quickly and concisely so that they, these statements and the electricity market reform proposals earlier in the week will work together to give us the best chance of a balanced, sustainable and secure energy future.

8.36 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): This is an important debate on the energy future of our country. I boasted a little last week in Prime Minister's questions about how Suffolk has ambitions to be the greenest county. However, I wish to make it clear today that I fully welcome all the national policy statements, in particular that referring to Sizewell as a potential new nuclear site. That is welcomed locally, although about eight constituents have written to me with their concerns about nuclear power. However, I am more than convinced by the Weightman nuclear review, and given that I see the dome of Sizewell B every time I go home, I can assure my constituents and the House that I live in close proximity to a nuclear power station and feel perfectly safe.

Coastal erosion is also relevant to my part of the world, and I am comforted by the fact that the Environment Agency has provided general support, although it recognises that detailed coastal erosion mitigation plans are needed. I also wish to raise the issue of the Minsmere sluice, which is especially important to some of my constituents. I highlight that so that the agency is fully aware of the concerns that people have.

I have to cut my remarks short, so all I would say to the Minister and the Secretary of State—it is a shame that he is not in his place, especially to hear the contribution by the hon. Member for Cheltenham (Martin Horwood) earlier—is that I am fully behind these national policy statements. Speed is of the essence and certainty is needed to engender investor confidence. I have worked with my neighbour, my hon. Friend the Member for Waveney (Peter Aldous), on this issue and we are ambitious to bring energy to our coast—and inland—where appropriate, but we need support in bridging the skills gap and capturing job opportunities. I support the motions.

Mr Deputy Speaker (Mr Lindsay Hoyle): There are two minutes left.

8.38 pm

Dr Alan Whitehead (Southampton, Test) (Lab): Perhaps I should send the Minister a copy of what I would have said and ask him to respond to it.

I wish to draw attention to the need to get right the future capacity. The documents—EN-1 in particular—conclude that we will require 133 GW of installed capacity by the early 2020s. The figure appears to have come from nowhere and is not supported by the accompanying updated energy provision documents. Indeed, recent pronouncements by the National Grid appear to suggest that that is a considerable overestimate of the likely capacity required to enable us to keep the lights on.

EN-1 is an over-arching policy document, so that conclusion spreads throughout the rest of the documents before us. They determine what energy mix we will have, including not whether we should have any further nuclear power but whether the new nuclear programme should be extensive. Even the UEP figures on enhanced capacity suggest that we will not have the amount of nuclear power that the Government suggest we want.

We need to get the capacity figures right. The National Grid Company's projection that we will need about 100 GW of installed capacity by the early 2020s to balance the system along with a little additional interconnection and a little work on energy demand—but not an enormous amount—is in stark contrast to what appears to be the guesswork in these overarching documents. My plea to the Minister is that, irrespective of whether we pass these documents tonight, we should have an early review of how much capacity we will need over the next few years, bearing in mind all the various things that are under way. We do not need these finger-in-the-air suggestions—people saying that we need an enormous amount of extra power and coming to a figure that seems about right but not on the basis of entirely standing by our own projections. I hope that the Minister will undertake that work and come back with different projections to inform future documents.

8.41 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I think that we would all agree that we have heard some excellent contributions this evening on issues that could not be more important to our country: first, the framework needed for Britain's future energy needs; and, secondly, our transition to a low-carbon economy. It is vital that the national policy statements create an effective framework to deliver on this issue and on the fourth carbon budget's emissions reductions targets. As we have heard from the manner in which most Labour Members' speeches have been delivered, the official Opposition want to play a constructive role.

I want to comment on the Minister's opening remarks. He talked with great enthusiasm about how the NPSs will unlock investment in the UK. I agree that that is an important impact. It is a shame, however, that Government policy elsewhere is working against much of that investment. He said that wave and tidal power will play an important part in reaching our targets, but there has been no investment in tidal by Governments for five years. That delay was introduced by this Government. We also heard from him that the NPSs will deliver growth and jobs. I wish that they could on their own, but try telling

that to the solar and other renewables sectors in which Government policy is so far having the opposite effect. Although we welcome the NPSs, the Government's record so far is not good. We have seen the shelving of investment in tidal power and under-investment in marine technology—both are areas in which the UK should and could be leading the way to create green jobs and investment up and down the country.

The green investment bank, which we support, has been delayed and unfortunately will not be investing until after the next general election. Furthermore, there is as yet no green economy road map. It is good that we have the renewables road map, but on its own it is not enough. The Energy Bill, which is much vaunted by the Secretary of State as the great solution to green job creation, has fallen off the end of the parliamentary agenda. It is not even appearing before the House in the first week of September when we return. Furthermore, as my hon. Friend the Member for Ogmore (Huw Irranca-Davies) said, under this Government, our country has gone from fifth to 13th in the Pew environment group's report on investment in environmental technologies.

I do not doubt the Minister's personal commitment to this issue, but the prioritisation of green investment issues is out of the hands of Ministers. Not only does the Secretary of State not have clout in Whitehall, but when we hear his Liberal Democrat colleagues speak in the House we see the true dilemma he faces and why he is dancing like a cat on a hot tin roof. At every turn, the Treasury has grabbed green money for the Exchequer coffers and broken the deal with companies that have gone greener in order to take that money for the Treasury.

We have seen delays and a lack of joined-up thinking on the green economy. That has been demonstrated again tonight by the fact that so little time has been granted to debate these issues. I do not lay responsibility for that at the door of Ministers tonight; I blame the general attitude to these issues across the Government. Yes, other statements are important, but to reduce this important debate on five national policy statements to two hours is frankly a joke.

In addition to the Minister, we heard from the hon. Member for Montgomeryshire (Glyn Davies), my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr Havard), who spoke up for his constituents, and the hon. Member for Cheltenham (Martin Horwood), who delivered an extraordinary anti-nuclear rant—on behalf, one can only assume, of his Secretary of State, along with the entire Liberal Democrat party, as he said. Now we know the truth about where the Secretary of State stands, because the hon. Gentleman rather blew the lid on his repeated attempts to deny the use of subsidies in nuclear. It is good that the truth is out at last. Then we heard from my hon. Friend the Member for Glasgow North West (John Robertson), who spoke with knowledge and a realism that were unfortunately lacking in the previous speech.

The hon. Member for Hove (Mike Weatherley) and my hon. Friend the Member for Sedgefield (Phil Wilson) also spoke, with my hon. Friend highlighting his area's commitment to renewable sources. The right hon. Member for Hitchin and Harpenden (Mr Lilley) joined in the criticism of the Secretary of State. The hon. Member for Brighton, Pavilion (Caroline Lucas) also criticised the Secretary of State, but from a rather different perspective, while the hon. Members for Loughborough (Nicky Morgan) and for Suffolk Coastal (Dr Coffey), and my hon. Friends the Members for Rutherglen and Hamilton West (Tom Greatrex) and for Southampton, Test (Dr Whitehead) all made thoughtful contributions too.

We want to help Ministers. We want to offer positive guidance and advice, and to support them where they are right. For example, we would welcome the publication of the Government's cross-departmental green economy road map. Businesses need to know what the Government's long-term strategy for tackling climate change is. They need to make investment and research decisions free from doubt about the Government letting them down. I tabled a question about that earlier this month, and was told that we would have the green economy road map before the end of July. However, with two more sitting days of Parliament, we are getting close to the wire. Indeed, perhaps that is why Parliament is sitting on Wednesday—so that we can see that document before the end of July. Frankly, the Minister had better hurry up if we are to meet that deadline. However, more important than what this House receives is that businesses up and down the country know what is coming, because further delay will cost orders and jobs. Up and down the country, people tell me on the doorstep that they want jobs, and green jobs are a real opportunity, so will the Minister give the House an assurance this evening that this important document—the green economy road map—will see the light of day? Will he commit himself to a date?

The national policy statements do not adequately address the energy market, the price of energy and the price hikes that our constituents face this summer. We on the Opposition Benches want to see an independent energy advisory committee, akin to the Committee on Climate Change, to advise Ministers on everything from the carbon floor price to energy auctions. We are talking about a body to advise Ministers along the lines of the Committee on Climate Change, but we look forward to the Government perhaps coming up with proposals based on our suggestion, because people have lost faith in Ministers standing up to the big six energy companies. Six energy companies control 99.9% of the consumer market, so how does the Minister intend to protect consumers and tackle fuel poverty?

This is increasingly a Government losing control, distracted by events and unable to deliver their programme. There may be good intent, but there is a lack of clout across Whitehall and a lack of ability to bring other Departments to the green energy and future green jobs table. As someone who is committed to this issue, I fear that we are in danger of seeing wasted years in the battle against climate change, which future generations will not forgive or forget.

8.48 pm

The Minister of State, Department of Energy and Climate Change (Gregory Barker): This has been an excellent debate. I am sorry that we have not had more time, but we have managed to cover an extraordinary amount, and I will do my best to deal with the interventions and speeches we have heard.

Investment in new energy infrastructure is crucial to secure a clean, green, affordable and reliable energy supply for both British business and British consumers in the challenging decades ahead, but we are asking a

[Gregory Barker]

lot of this transformation. It must drive growth, not hamper it; it must underpin the industrial competitiveness of the UK, not threaten it; it must drive technological change, competition and consumer choice; it must incentivise the private sector, but also deliver value for money to the hard-pressed consumer; and wherever possible, it must work with, not against, the grain of local opinion and communities, as has come through loud and clear in various interventions this evening. For the first time, these national policy statements set out clearly and transparently how the coalition's energy policies will inform decisions on applications for development consent for major energy infrastructure projects.

The hon. Members for Hackney South and Shoreditch (Meg Hillier) and for Ogmore (Huw Irranca-Davies) treated us to their usual music hall turn and their usual party politics. I appreciate the broad consensus that exists on the substance of the NPS.

Jeremy Corbyn: Will the Minister give way?

Gregory Barker: I will in just a moment.

It would be easy to dwell on the divisions that exist. If the hon. Member for Hackney South and Shoreditch will forgive me, I intend to skip past the cheap party political points. Instead, I look forward, after nine months, to hearing her first speech on any substantive policy initiatives that she might have. We expect the green economy road map to be published before the end of July, so she will no doubt be able to get her press release out welcoming its publication before she goes away for some sunshine.

Jeremy Corbyn: Will the Minister give way?

Gregory Barker: I am not going to give way; the hon. Gentleman has not spoken in the debate, and in the time I have left I want to deal with the contributions that have been made.

The hon. Member for Glasgow North West (John Robertson) criticised the delays in bringing forward the national policy statements. He is absolutely right to say that there have been delays, but they occurred under the Labour Government because the original NPSs, which were signed off by the right hon. Member for Doncaster North (Edward Miliband)—hon. Members might recognise his picture in the document here—were riddled with inaccuracies and errors and had to be worked on again. I am glad, however, that we have now produced the NPSs, that broad consensus exists on them, and that we can now plough ahead. That sends an important signal for investment.

Albert Owen: Will the Minister give way?

Gregory Barker: I want to press on. If I can give way a little later, I will, but there have been a lot of contributions and I want to try to respond to them.

The hon. Members for Merthyr Tydfil and Rhymney (Mr Havard) and for Brighton, Pavilion (Caroline Lucas) and my hon. Friend the Member for Loughborough (Nicky Morgan) were among those who raised their significant concerns about the potential for an expansion of incineration. I understand the gut instinct against energy from waste, but we must recognise that it has moved on significantly over the past decade and now involves a wide range of different technologies. The important thing to remember about any form of energy-from-waste technologies is that they sit at the very bottom of the waste hierarchy. Before we reach that point, we must first ensure that there is waste prevention and reduction, as well as reuse and recycling. We must prepare for recycling and recovery and, ultimately, if there is no other use for the waste, we can turn to the responsible creation of energy from waste.

As my hon. Friend the Member for Loughborough pointed out, however, we must take account of local opinion. This NPS is only a framework. Were there no framework for energy from waste in it, a free-for-all could be created. The NPS creates a framework in which these decisions can be made; it does not necessarily mean that there will be an automatic presumption in favour of energy from waste.

Mr Havard: Will the Minister give way?

Gregory Barker: I am going to take interventions towards the end of my speech if I have time.

The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) made some important points about fishing, and the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Wealden (Charles Hendry) will be happy to meet him to discuss his concerns. The hon. Gentleman also raised the issue of transmission charging. We recognise that a new structure will be required for a whole host of new generation technologies, which will be in different locations from before. In creating that structure, we will need new grid connections and a fair and progressive charging regime that will enable investment.

The hon. Member for Sedgefield (Phil Wilson) raised his concern about wind farms. He made an important point, but I cannot comment on individual schemes. It is a requirement of the planning regime, however, that cumulative impacts such as we see in locations in the north-east are considered in total. We would expect the local planning authority to set out important local issues in its local impact report, just as we also want host communities for these installations to reap the benefits of taking these assets into their communities.

Let me deal now with the issue of nuclear. My hon. Friend the Member for Cheltenham (Martin Horwood) has spoken with great passion on this subject over many years; I do not expect that I am going to sway him tonight, but I do greatly respect his sincerity on this issue. He gave a rousing speech and some of his concerns were echoed by my hon. Friend the Member for Hove (Mike Weatherley). I do not know whether he is a new convert, but I also recognise his sincerity and I share his passion for a more decentralised energy economy and for the need to push forward with renewables, which have so much to offer the UK.

Mr Havard: Will the Minister give way?

Gregory Barker: In just a moment. The hon. Member for Brighton, Pavilion also spoke about nuclear.

Mr Havard: Strategy and policy—wonderful stuff. The relationship between incineration, the planning process and energy generation is clearly a matter of debate within the Government. We need an understanding of their way of describing it. Will Ministers thus agree to meet a cross-party delegation of people who have concerns about, or information on, this policy area so that we could inform the discussion and debate as it happens?

Gregory Barker: Of course I will. My hon. Friend the Minister for Energy will also be delighted to meet such a delegation. We recognise the strongly held opinions in this area and the fact that profound local impacts are at stake, so it is absolutely right to listen to a range of parliamentary opinion on the subject.

Returning to the nuclear issue, as the cheapest large-scale, low-carbon source of generation, nuclear should be part of the mix—so long as it is without public subsidy. The NPS deals only with direct planning issues; all the other issues—decommissioning, waste, insurance, safety—are outside the NPS framework. They fall to other frameworks, but I can give the assurance that robust regimes are in place for all those issues.

My right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley) was deeply sceptical about the whole renewables agenda. I respect his sincerity, but no one in this House—not even the most zealous climate change zealot!—would suggest that we could run the whole UK energy economy on wind power alone. Wind can be part only of a much bigger mix of renewables and other forms of generation, and there is no one single form of generation on which we want to be dependent. That includes nuclear. I remind my right hon. Friend that, last year, Sizewell B was out of operation for seven months, during which time wind powered about 500,000 homes. The important thing is to have a properly balanced energy sector and to get ourselves progressively off the oil and gas hook so that we do not see the constant ratcheting up of fuel bills, which we have seen recently with wholesale gas prices up 40% last year.

We heard an extremely thoughtful contribution from my hon. Friend the Member for Suffolk Coastal (Dr Coffey)—a great champion not just for nuclear, but of the whole green coast.

We also heard from my hon. Friend the Member for Montgomeryshire (Glyn Davies) about his sustained campaign against offshore wind. I appreciate how strongly he feels on this issue, but I point out that the NPS framework is not responsible; the problem lies really with the Welsh Assembly, which has zoned areas for wind farm development—technical advice note 8 areas—focusing developers' interests in areas such as Montgomeryshire. It is at the Welsh Assembly that my hon. Friend's ire should be directed, but we of course listen clearly to the messages he sends.

The national policy statements are another example of the coalition gripping the modern energy agenda. They constitute a major step towards reversal of decades of neglect and delay.

9 pm

The Deputy Speaker put the Questions necessary for the disposal of the business to be concluded at that time (Order, 11 July).

Resolved,

That this House takes note of and approves the Overarching National Policy Statement for Energy (EN-1), which was laid before this House on 23 June.

NATIONAL POLICY STATEMENTS (FOSSIL FUEL ELECTRICITY GENERATING INFRASTRUCTURE)

Resolved,

That this House takes note of and approves the National Policy Statement for Fossil Fuel Electricity Generating Infrastructure (EN-2), which was laid before this House on 23 June.—(*Mr Hendry.*)

NATIONAL POLICY STATEMENTS (RENEWABLE ENERGY INFRASTRUCTURE)

Resolved,

That this House takes note of and approves the National Policy Statement for Renewable Energy Infrastructure (EN-3), which was laid before this House on 23 June.—(*Mr Hendry.*)

NATIONAL POLICY STATEMENTS (GAS SUPPLY INFRASTRUCTURE AND GAS AND OIL PIPELINES)

Resolved,

That this House takes note of and approves the National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4), which was laid before this House on 23 June.—(*Mr Hendry.*)

NATIONAL POLICY STATEMENTS (ELECTRICITY NETWORKS INFRASTRUCTURE)

Resolved,

That this House takes note of and approves the National Policy Statement for Electricity Networks Infrastructure (EN-5), which was laid before this House on 23 June.—(*Mr Hendry.*)

NATIONAL POLICY STATEMENTS (NUCLEAR POWER GENERATION)

Motion made, and Question proposed,

That this House takes note of and approves the National Policy Statement for Nuclear Power Generation (EN-6), which was laid before this House on 23 June.—(*Mr Hendry.*)

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 267, Noes 14.

Division No. 328] **[9.2 pm**

AYES

Adams, Nigel	Barclay, Stephen
Afriyie, Adam	Barker, Gregory
Aldous, Peter	Baron, Mr John
Amess, Mr David	Barwell, Gavin
Andrew, Stuart	Bebb, Guto
Arbuthnot, rh Mr James	Beresford, Sir Paul
Bacon, Mr Richard	Berry, Jake
Baker, Steve	Bingham, Andrew
Baldry, Tony	Binley, Mr Brian
Baldwin, Harriett	Blackman, Bob

Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Byles, Dan
Cairns, Alun
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Fabricant, Michael
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heaton-Harris, Chris
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Owen, Albert
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Syms, Mr Robert
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Waller, Mr Robert
Watkinson, Angela
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and James Duddridge

NOES

Caton, Martin
Durkan, Mark
Flynn, Paul
Goldsmith, Zac
Hancock, Mr Mike
Hopkins, Kelvin
Long, Naomi
Lucas, Caroline
McDonnell, John
Meacher, rh Mr Michael
Skinner, Mr Dennis
Smith, rh Mr Andrew
Williams, Hywel
Wood, Mike

Tellers for the Noes:
Jeremy Corbyn and Mr Mike Weir

Question accordingly agreed to.

Resolved,

That this House takes note of and approves the National Policy Statement for Nuclear Power Generation (EN-6), which was laid before this House on 23 June.

Draft Financial Services Bill (Joint Committee)

9.18 pm

The Leader of the House of Commons (Sir George Young): I beg to move,

That this House concurs with the Lords Message of 21 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That a Select Committee of six Members be appointed to join with the Committee appointed by the Lords to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That the Committee should report on the draft Bill by 1 December 2011.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Nicholas Brown, Mr David Laws, Mr Peter Lilley, David Mowat, Mr George Mudie and Mr David Ruffley be members of the Committee.

The Government are anxious to subject more Bills to pre-legislative scrutiny and as a result we are publishing more Bills in draft. The draft Financial Services Bill was presented to the House on 16 June, and we now want to make progress and to nominate the Commons membership of the Joint Committee on the Bill. Our proposal was blocked on an earlier occasion; hence, we have tabled the motion before us.

We believe that the quality of legislation is enhanced if more Bills can be subjected to pre-legislative scrutiny. I am disappointed that a small minority of Labour Members are seeking to stop the effective scrutiny of this legislation by blocking the motion. It is for the parties to nominate who represents them on such Committees, and it is a shame that Back-Bench Members are seeking to frustrate a position that has been agreed between the parties and, with their amendment, to skew the balance of the Committee towards the Opposition.

Thomas Docherty (Dunfermline and West Fife) (Lab): Does the Leader of the House recall that on four occasions last week Members objected to the motion? There were plenty of opportunities, if he had wished to do so, to engage in a discussion about what the problem was. Surely, if the Government had come to discuss this with relevant Members of the Opposition, this matter could have been resolved before tonight.

Sir George Young: No, there is a convention that the nomination of Members to Joint Committees such as this are made by the political parties. That is the procedure that we have followed in this case and I regret that some Members have sought to frustrate that process.

It is the Government's hope that this very important Bill will now be given the pre-legislative scrutiny it deserves and that these wrecking tactics will stop. I commend the motion to the House.

Mr Deputy Speaker (Mr Lindsay Hoyle): I remind the House that the amendment has been selected.

9.20 pm

Hilary Benn (Leeds Central) (Lab): I rise to speak briefly to the motion. I agree with the Leader of the House that the Bill is extremely important and raises profound questions about the regulation of the financial services industry and the accountability of the new arrangements. It is important that the Joint Committee gets on with its work and I, like the right hon. Gentleman, am a strong supporter of scrutiny of this sort. As he has said, it is rather unusual for the House to debate such a Committee's membership—an issue that ought to be quite straightforward.

Let me come to the heart of the matter concerning the right hon. Member for Yeovil (Mr Laws), as he is the subject of the amendment that some hon. Members have tabled. Hon. Members will recall that following the Select Committee on Standards and Privileges' report on the right hon. Member for Yeovil and its findings against him, he came to the House on 12 May and made a personal statement, prior to his suspension from the House, and apologised. Now that the House has dealt with this case, whether Members agree or disagree with the outcome of the Standards and Privileges Committee process, seeking to withhold membership of a Committee as a means of taking further action against a Member is a difficult course for the House to pursue. After all, there may be other Members to whom some Members wish to object on other grounds when it comes to the membership of future Committees. We do not generally approach the putting together of Committees on that basis and if is not sensible to do so in this case. Either we are equal in this place or we are not.

9.23 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I beg to move, amendment (a), in line 14, leave out 'Mr David Laws'. [HON. MEMBERS: "Shame!"] I hear cries of "shame" from the Chancellor's former chief of staff, from the Liberal Democrat Whip and from many other members of the coalition Government. I took some advice this afternoon about the rules of this procedure because I wanted to be very clear about what I may or may not refer to. I have received clear advice that I may refer to the content of the recent report of the Standards and Privileges Committee and that I may make some general observations, but you will probably agree with me, Mr Deputy Speaker, that I would not be allowed to make accusations about an hon. Member that are not referred to in the report, and I will proceed on that basis.

The Bill is one of the most important Bills that the Government are introducing. I do not say that just because I have had a chance to glance through the weighty tome that the Government have introduced but because one of the great debates that the House will have in this Session is about how we can better regulate our financial industry. Without doubt there was a failure to regulate it in the previous Parliament—[HON. MEMBERS: "Hear, hear!"] I am sure that the hon. Member for Devizes (Claire Perry) will nod away to that.

Mr Kevan Jones (North Durham) (Lab): My hon. Friend says that regulation failed, and there were loud cheers from the Government Benches, but did not Members on the Government Benches call for less regulation of the financial services industry?

Thomas Docherty: Once again, my hon. Friend anticipates my next sentence. I was about to remind the hon. Member for Devizes, if she were paying attention to the debate, that when she was penning speeches for her right hon. Friend the Chancellor of the Exchequer and for the now Prime Minister, they on more than one occasion decried the fact that there was too much regulation of the financial services industry. The House does not need reminding that the hon. Lady and her cohorts believed that if we had less regulation we would have a better financial services industry.

Claire Perry (Devizes) (Con): Rubbish.

Thomas Docherty: But I refer the hon. Lady to the speeches that she used to pen for the Chancellor of the Exchequer before he got some better speechwriters, when he used to say, "You may say we have too much regulation—and I agree." So the Bill—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. As hon. Members know, the debate is quite tight and we are stretching it beyond where we need to be. If we can come back to points that are more relevant, I am sure the House will be happier.

Thomas Docherty: I am grateful, Mr Deputy Speaker. That allows me to pose a question to the Leader of the House. My understanding of the Order Paper is that the debate may continue beyond 10 pm. I am not sure of the mechanism that would be adopted, but my understanding is that the Government would like the debate to have the opportunity, if necessary, to continue beyond 10 pm. If that has been withdrawn, I would be grateful for clarification from the Chair.

The Leader of the House said in his brief yet succinct remarks that if we were to change the balance of the Committee, that would give the Opposition parties control of the Committee. I did not have the benefits of the wonderful education of many Members on the Government Benches because I grew up under the previous Conservative Government, but by my maths there would still be three members of the Conservative party and two members of the Opposition on the Committee. The Government would still have a majority. They are perfectly entitled to nominate a new member, if they choose to do so, and we would support a suitable candidate. Perhaps in his rush to get his suntan creams and holiday brochures out, the Leader of the House had not quite checked the membership of the Committee.

John Mann (Bassetlaw) (Lab): Would my hon. Friend like to take the opportunity to correct the record and the rather uncharitable statement made by the Leader of the House that those supporting the amendment are in some way attempting to undermine pre-legislative scrutiny? Does my hon. Friend agree that if there had been pre-legislative scrutiny at a much earlier stage in previous Parliaments, some of the issues in the financial sector may not have been as profound as they have been?

Thomas Docherty: My hon. Friend is correct. I am baffled—I would happily take clarification from the Leader of the House or the Deputy Leader of the House—as to how removing one member of the Committee is tantamount to seeking to thwart the business of the House. My understanding—I am sure the Deputy Speaker would correct me if I was wrong—is that the Committee would still be quorate and would still be competent.

I look at the names of some members of the Committee and see good, learned and wise individuals from both sides of the House. At least one member, the hon. Member for Warrington South (David Mowat), is present in the Chamber to hear the discussion. The Committee consists of a competent set of Members from both sides of the House. My hon. Friend the Member for Leeds East (Mr Mudie) is a long-standing member of the Treasury Committee.

David Mowat (Warrington South) (Con): I thank the hon. Gentleman for his generosity in referring to me. He is going through the list of people nominated to the Committee. How many of them does he think know more about international financial services than the right hon. Member for Yeovil (Mr Laws)?

Thomas Docherty: I will shortly move on to the thrust of my argument and come to the issue of the complications or otherwise for the Committee. We do not seek to thwart the aspects of pre-legislative scrutiny, but we do object to the Government's choice of one specific individual to sit on the Committee. As I said, this is one of the most important pieces of legislation we will have before us in this Session, and possibly in this Parliament. One point on which both sides of the House would genuinely agree is that over the past few years there was a failing in the scrutiny and regulation of the financial industry. We can argue about who was more to blame for that and about light-touch regulation, or lighter regulation still—*[Interruption.]* I hear the chuntering from various sedentary positions and, were I to stray too far into the previous Government's financial regulation regime, I suspect that you, might pull me up on that Mr Speaker.

This is about probity. Ultimately, this comes down to whether or not somebody—I refer to the Standards and Privileges Committee's report—who was found to have had a serious lack of judgement, who knowingly and wilfully misled the Fees Office and who took significant sums of money, as the report states, is in fact a fit and proper person to sit on a Committee that will scrutinise the new financial services regime. I do not intend to read out the whole report and will stick very closely to the subject of the—

Mr Speaker: Order. The hon. Gentleman will resume his seat. I must emphasise to him and to the House that this is not a debate on the right hon. Member for Yeovil (Mr Laws), and it certainly cannot be a rehashing, reworking or reiteration of the contents of a particular report. This is a debate on the establishment of a Joint Committee. Members are entitled to comment on whether they think the Committee should be established and, if they do not think that it should be or wish to amend its composition, to explain why. A general ad hominem attack on a particular individual is not the purpose of the debate and cannot become its substance. I know that the hon. Gentleman will speedily redirect his remarks in an entirely orderly way.

Thomas Docherty: I am grateful, Mr Speaker. Obviously I took some very senior counsel this afternoon from Officers of the House, as you are aware, on how to stay in bounds and perhaps go offside, to use the modern—

Mr Speaker: Order. I say to the hon. Gentleman that, whatever senior counsel he sought and obtained, he can on this occasion make do with mine.

Thomas Docherty: I always have great respect for your counsel, Mr Speaker, and obviously do not seek a time when you might perhaps be advising other Parliaments in other parts of the country, or other parts of the world. *[Interruption.]*

John Mann: If I could hear myself speak, I would ask my hon. Friend whether he would care to comment on the fact that the constituency of Yeovil is an English constituency, whether he has considered the make-up of the Committee that is proposed, whether he perceives that it will in fact be an English Committee, rather than a United Kingdom one, and what the potential consequences might be, not least for his constituents, of that happening in such a biased way.

Thomas Docherty: I obviously look forward to my hon. Friend's contribution in due course.

I must say that I thought the cracks about monkeys and organ grinders that the hon. Member for Devizes made did nothing to raise the standard of the debate, but as she used to work for the Chancellor of the Exchequer I expected nothing more, because her speeches were never that good when she worked for him. It is important that we look at whether the people who are being put forward in general are of a correct measure. The hon. Member for Warrington South, who I think is now detained elsewhere, asked about the qualifications needed for serving on the Committee, and my hon. Friend the Member for Bassetlaw (John Mann) and I are equally concerned about what qualifications should or may bar an individual Member from serving on the Committee. Having read from cover to cover the Standards and Privileges Committee report, and having read the introduction to the draft Bill prepared by the Chancellor of the Exchequer and his team about the need for financial probity and for a new set of regulations, I have severe doubts about whether one member of the Committee is adequately suited to the task.

In a week when Parliament has had to deal with some very severe accusations levelled against members of the Government and against members of Her Majesty's police forces, when we have seen former special advisers being placed under arrest, and when Government Members simply argue, as I have heard them do today, that we will take people on the basis of the assurances they have given although they are under active police investigation, the public will look at this Committee and say that it beggars belief.

Dr Julian Huppert (Cambridge) (LD): It has been said several times that the past week has seen Parliament at its best. How would the hon. Gentleman describe what he is doing now?

Thomas Docherty: If the hon. Gentleman thinks back over the past 12 months, he will recall that my hon. Friends the Members for West Bromwich East (Mr Watson) and for Rhondda (Chris Bryant) have almost single-handedly ploughed a furrow in highlighting an issue. Government Members heckled and shouted them down, and accused them of launching personal attacks on the Prime Minister.

Mr Speaker: Order. The hon. Gentleman must not be led astray into a spontaneous panegyric to his hon. Friends. He must focus very much on the matter in hand, which is the Joint Committee on the draft Financial Services Bill—quite a narrow brief, albeit an important one.

Thomas Docherty: Obviously, Mr Speaker, the hon. Member for Cambridge (Dr Huppert) led me down a very tempting path, and I will do my best not to be drawn down it again.

The draft Bill is a phenomenally large document. I am sure that on your evenings off, Mr Speaker, when you are drinking a glass of mulled wine, you will have had a chance to flick through its contents. It is a wide-ranging Bill that seeks, rightly, radically to overhaul our financial services industry. It is therefore right that the individuals from both Houses who are tasked with providing the legislative scrutiny are properly scrutinised themselves, because we are placing a huge amount of trust in their hands. I suspect, Mr Speaker, that if I were to go too far into the issue of trust you would rightly pull me up for it.

Robert Halfon (Harlow) (Con): Members of both parties were implicated in various expenses issues. Is the hon. Gentleman saying that members of his own party who were so implicated should not serve on any Committee either?

Thomas Docherty: The hon. Gentleman asks a valid question. As a new Member who unseated a former Member who had to pay back thousands of pounds, I am very much alive to these issues. I absolutely believe that if someone is forced to pay back £56,000 to which they were not entitled because they had knowingly misled the taxpayer—the Fees Office—they should be excluded from being a member of a committee that oversees the new financial services regulation. That goes to the heart of the issue. If the hon. Gentleman does not agree with me, I respect that, but I hope that he will indicate that that is his view. I do not see him indicating dissent, so I assume that he agrees.

Mr John Spellar (Warley) (Lab): My hon. Friend is focusing largely on the Commons composition of the Committee. Does he believe that the Lords composition makes it any broader or, to take the point made by my hon. Friend the Member for Bassetlaw (John Mann), any more representative?

Thomas Docherty *rose—*

Mr Speaker: Order. That is not a matter for debate in this Chamber tonight.

Thomas Docherty: I am most grateful, as ever, Mr Speaker, for your counsel. Of course, that is a debate for another time. As the Leader of the House is listening, perhaps we will have a discussion in future about the joint membership of the Committee and both Houses will be required to give their agreement, but that is not the issue before us today.

On no fewer than four occasions over the past seven days, the Government Whips have tried to slip this motion through literally on the nod at the end of the

[Thomas Docherty]

evening. On each occasion, an hon. Gentleman has objected. *[Interruption.]* It was an hon. Gentleman, as it was me and my hon. Friend the Member for Bassetlaw (John Mann). Unless the hon. Member for Cambridge knows something I do not, I am fairly confident that I can refer to myself and my hon. Friend as gentlemen.

On each of those occasions, a number of brief back-channel discussions took place between various members of the Treasury Bench—I will not name them, even if they are here—about what was going on. They are fully aware of what this has been about. It was entirely a matter for those on the Treasury Bench. If they did not wish to have this debate tonight, they could have approached us to see whether there was substance to our objection, but they chose not to do so. Indeed, one member of the Treasury Bench thought that we were objecting to our own Members.

Mr Mike Hancock (Portsmouth South) (LD): Perhaps the hon. Gentleman can explain what he would have accepted from the Treasury Bench.

Thomas Docherty: That is a very good question. I am looking at the many Liberal Democrats who are here tonight. I see the right hon. and learned Member for North East Fife (Sir Menzies Campbell), the hon. Member for Burnley (Gordon Birtwistle), who has a long track record in business, the hon. Member for St Austell and Newquay (Stephen Gilbert), who is a new Member, and the hon. Member for Portsmouth South (Mr Hancock). All of them have had a distinguished service in the House for various lengths of time, all of them have experienced careers outside the House, and crucially, all of them have constituents who have suffered from the failures of financial regulation in the last Parliament. If the Treasury Bench had genuinely offered any other member of the Liberal Democrat party to be a member of the Committee, I would have been happy.

Mr Hancock: As that is the case and the hon. Gentleman wants to have the last word on who serves on the Committee, why did he not put another name forward?

Thomas Docherty: I am grateful for that question. Obviously, I will not have the last word. Indeed, I imagine that you, will have the last word Mr Speaker when you read out the result of the Division that may occur later. Having taken advice from senior officers in the House, it is my understanding, although I have not checked the latest edition of "Erskine May"—the 24th edition, which was edited by the Clerk of the House, is out now and is a snip at £295—that Labour Members would not be allowed to put forward the name of a Liberal Democrat Member without their express consent. I fully understand why a Liberal Democrat Member would not seek publicly to undermine their parliamentary colleague and I respect that. It would be for the Government Whips to approach Liberal Democrat Members.

John Mann: My hon. Friend is getting to the nub of one of the key issues. Is not the dilemma that, when wishing to amend the membership of a Standing Committee or any other Committee of the House, the modernisation of this place has not gone far enough for anything other than the usual channels to determine such things? It is only in the last year that Chairs of Select Committees have been elected by the House. Modernisation has only gone so far. In raising such matters in the House, we are rather trapped in the antiquated systems of how we can object.

Thomas Docherty: My hon. Friend is entirely right. He will know that I am a member of the Procedure Committee, which is the successor to the Modernisation Committee. I have the privilege to serve with a number of the members of that Committee. He is right to say that this is something that I take a particularly keen—*[Interruption.]* I will give way.

Mr Mike Hancock: I am interested to know how the hon. Gentleman managed to achieve a place on that Committee.

Thomas Docherty: I think that you will correct me, Mr Speaker, if in my youthful naivety I have misunderstood the system. The Committee of Selection considers names, and those are put forward to the House for its approval. I think—again, you will correct me, Mr Speaker, if I am not fully aware of the procedure as a naive new Member—that the House had an opportunity to vote on that.

Mr Speaker: Order. I simply say to the hon. Gentleman that I do not think the House requires a disquisition on his career trajectory, which resulted in his ultimate elevation to membership of the Procedure Committee. I am sure it is a matter of very great interest, but it can be kept for the long winter evenings.

Thomas Docherty: Perhaps over a glass of mulled wine, Mr Speaker. I was simply answering the question asked by the hon. Member for Portsmouth South, but my point is that my appointment was subject to a vote of the whole House, and it was approved. *[Interruption.]* I suspect that with my career trajectory going downwards, as hon. Members suggest, that would not necessarily happen again.

My hon. Friend the Member for Bassetlaw is entirely right to say that we need to modernise the procedure. It is unfortunate that Members are being detained, and I do not wish to detain the House any longer—[Hon. Members: "Hear, hear!"] I have never had so much support from the Government parties. All I would say is that it is entirely regrettable that, although the Government Whips may say otherwise, they were intransigent in not being prepared to have even a single formal conversation with Opposition Members to see whether a solution could be found. It is regrettable that Members are being kept from their mulled wine, so with that I will sit down with no further ado.

9.45 pm

John Mann (Bassetlaw) (Lab): It is with pleasure that I address such a packed House. Having sat through and participated in a significant number of debates since the general election, I cannot recall on any occasion, even when there have been debates on so-called fundamental reform of the constitution by the Deputy Prime Minister, seeing so many Liberal Democrats present. I heard someone say from a sedentary position that this was Parliament at its worst, but it is a good sign of democracy for this type of debate to have so many active would-be participants. I welcome the Liberal Democrats into the

House in such large numbers, and it is good to see that their coalition partners wish to see some balance and to be informed by the debate.

I hope that we can have the full, thorough and proper debate that the House has lacked in relation to the establishment of such Committees, which are a new venture for the House. They should generally be welcomed, but the Leader of the House and his shadow exemplified the bind that we are in, as democratic politicians in this House, when we attempt to amend anything in any way that has not gone through the "usual channels".

Thomas Docherty: I did not get a chance to notice this while I was speaking—following the rules, I was looking at you, Mr Speaker—but has my hon. Friend noticed that one of the chief cheerleaders tonight is a Liberal Democrat Whip?

John Mann: We take the view that all Members of the House are equal, which is an important principle, so the ability to participate and influence should be equal. It is ironic, therefore, that when it comes to the selection of Committee members some are more equal than others. It seems to me that as we have started a modernisation process that is very slowly beginning to trickle through the House, after many years of waiting, that issue needs proper attention.

It is rather a shame that someone needs to table an amendment even to get the issue on to the Floor of the House. The Government were not going to allocate any time to debating this important Committee, its make-up, whether we should have it at all, the timetable allocated to it, the role of the House of Lords within it, whether the Lords should have a role in financial matters, or the issue of England versus the rest when it comes to the membership of the Committee. None of that could have been debated had not my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) and myself chosen to learn the rules and object at 10 o'clock on a number of occasions over the past week, and then to table an amendment. By its nature, that amendment has forced the Government to create time for this debate.

It is a little odd that the Government are seeking to have unlimited time for this debate, which can continue till any hour, when we have just debated major energy statements—a fundamental issue for each and every hon. Member and our constituents—with speech limits of five minutes per Member. That seems to me a poor allocation of time, but it is another example of the impotence of the Back Bencher in attempting to influence what goes on in here.

I do not court favour, and I never have, with any side of the House. Indeed, on some issues, on some occasions, I have been in a vocal but rather small all-party minority. When the expenses issue was first emerging, and this House was refusing to deal with it and was still not totally on top of it, the usual channels—or what I termed the "gentleman's club"—were a hindrance to democracy and to our relationship with our voters.

Claire Perry: The hon. Gentleman seems to be taking a very high moral tone, but as a person who has been serially rebuked by the Standards and Privileges Committee, is he therefore ruling himself out of any future Committee membership?

John Mann: Mr Speaker, I do think that it would be appropriate to respond directly to the inaccuracies in the comments just made. However, there is an important point—

Claire Perry: Will the hon. Gentleman give way?

John Mann: I shall give way in a minute.

There is an important point about who should be a Back Bencher and who should remain a Back Bencher, because within the House, some will always be fated to be Back Benchers, often at the behest of their party leader. In power, party leaders love to exercise the power to choose who will be in ministerial positions or sit on Committees and the rest. However, on occasion there is perhaps a democratic requirement that some people should choose to be Back Benchers, or be chosen to be Back Benchers, for the length of a Parliament. It can be quite cathartic, as a politician, to spend one's time—

Mr Speaker: Order. This is not the occasion for the hon. Gentleman either to dilate or to rhapsodise about the merits of Back-Bench life. Anybody would think that he was seeking to imitate his hon. Friend the Member for Newport West (Paul Flynn), and to pen a book entitled, "How to be a Backbencher". He is welcome to do that, but if he wishes to do so, he must do so outside the Chamber.

John Mann: I thank you, Mr Speaker, for redirecting me following my aberration after that intervention.

Kelvin Hopkins (Luton North) (Lab): The hon. Member for Devizes (Claire Perry) accused my hon. Friend of taking a high moral tone, but does he agree that surely a high moral tone is to be preferred to a low moral tone?

John Mann: I am attempting simply to put across a few views that I believe would appropriately reflect the views of my constituents. I am putting no tone—high, low or otherwise—into this debate.

Members are elected to come and put forward in this House what we think appropriate. One thing that my constituents, and therefore I, would not regard as appropriate, and that the House overall should not regard as appropriate, is having a Joint Committee made up exclusively of English members. A Joint Committee on the draft Financial Services Bill that reflects this House, in the way that Select Committees do, ought to be more reflective of the entirety of the UK, and not just of England. I say that with some irony, because I am one of those who has argued that the English voice has been understated in this House.

Mr Kevan Jones: Does my hon. Friend agree that many financial services jobs are based in Edinburgh?

John Mann: Our colleagues from every corner of Scotland, not just Edinburgh, are always rightly happy to demonstrate the importance of financial services—

Thomas Docherty: It may assist my hon. Friend to learn that I have more than 2,000 people working in the banking industry in my constituency, not to mention

[Thomas Docherty]

the thousands who make the lovely commute every morning over the bridges to Edinburgh.

John Mann: I put it to my hon. Friend that it would be an own goal by this Parliament, not least considering the job losses in the Royal Bank of Scotland and other institutions in Scotland and elsewhere, to go ahead with this Committee with only English members. One of the niceties—

Gordon Birtwistle (Burnley) (LD): The hon. Gentleman is obviously concerned by the lack of members from Scotland. There are two Labour members on the Committee, so perhaps one of them could be replaced by a member from Scotland. That would resolve the problem without bothering about any other party.

John Mann: I thank the hon. Gentleman for his point. There are other reasons why, when considering altering the balance of the Committee to represent the balance in Parliament more appropriately, we picked a Liberal Democrat to remove, not a replacement from my party. No replacement will be required if this resolution is passed, as I hope it will be. One of the consequences would be that the Government could rethink the membership of the Committee. The question of how many members, and the balance from Scotland, Wales, Northern Ireland and England—

Thomas Docherty: And the gender balance.

John Mann: I was just about to come to that point.

Matthew Hancock (West Suffolk) (Con): Will the hon. Gentleman give way on that point?

John Mann: I have only just begun on it, but I will give way.

Matthew Hancock: The hon. Gentleman started his very long speech by saying that all Members were equal, but all his points so far contradict that principle. Can he not just end it?

John Mann: The hon. Gentleman is rather intemperate. Here we are having a good and important debate, and I anticipated an informed intervention from him. Instead, he merely wishes to curtail debate on equality. That says something about these new Conservatives, the partners of the Liberal Democrats—

Stewart Hosie (Dundee East) (SNP): I am all in favour of gender balance on Committees, but the hon. Gentleman is a member of the Treasury Committee, which has only one lady member. I do not recall him ever making the point that he or his Labour colleagues—all of whom are men, of course—should be replaced by women.

John Mann: The hon. Gentleman is not an hon. Friend of mine—to use the parliamentary language—so he is not privy to the debates and discussions in the parliamentary Labour party. However, I assure him, and the House, that this is an issue that I have raised. It is one of the traps that the House has set for itself, in the same way as it has with this motion. How do we achieve gender balance? I intend to make some suggestions about what we can do if the amendment is passed, and why that is so important.

Andrea Leadsom (South Northamptonshire) (Con): The hon. Gentleman will recognise that his party has just had the opportunity to appoint a new member to the Treasury Committee, but it did not take the opportunity to appoint a woman. We were joined by another Labour man for the first time today. The hon. Gentleman claims to be concerned about gender balance, but this rather spiteful amendment would have been better if it had proposed such a balance, rather than being a veiled attack on one hon. Member.

John Mann: There is nothing veiled or spiteful about it. I think that the hon. Lady should withdraw her allegation. As she should know, being a woman on the Treasury Committee, the power is not there—

10 pm

The debate stood adjourned (Standing Order No. 9(3)).

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, the Motion in the name of Sir George Young relating to Draft Financial Services Bill (Joint Committee) shall be proceeded with, though opposed, until any hour.—*(Mr Dunne.)*

The House proceeded to a Division.

Mr Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 297, Noes 6.

Division No. 329] **[10 pm**

AYES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick

Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Long, Naomi
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swinson, Jo
Syms, Mr Robert
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williamson, Gavin
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Hopkins, Kelvin
Jones, Mr Kevan
McCann, Mr Michael
Skinner, Mr Dennis
Spellar, rh Mr John
Wicks, rh Malcolm

Tellers for the Noes:
John Mann and Thomas Docherty

Question accordingly agreed to.

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of Sir George Young relating to Draft Financial Services Bill (Joint Committee).—*(Mr Goodwill.)*

The House divided: Ayes 290, Noes 6.

Division No. 330] **[10.13 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Long, Naomi
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swinson, Jo
Syms, Mr Robert
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris

Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williamson, Gavin
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Mark Hunter

NOES

Hopkins, Kelvin
Jones, Mr Kevan
McCann, Mr Michael
Skinner, Mr Dennis
Spellar, rh Mr John
Wood, Mike

Tellers for the Noes:
John Mann and Thomas Docherty

Question accordingly agreed to.

Debate resumed.

Question again proposed, That the amendment be made.

Simon Hughes (Bermondsey and Old Southwark) (LD): On a point of order, Mr Speaker. Is it usual or in order for Front-Bench Members to both shout and object on matters that are Back-Bench objections? I gather that the right hon. Member for Warley (Mr Spellar) and others may have objected in order to force the last vote, but it is my understanding that that is not the normal convention.

Mr Speaker: The issue is whether there is an objection. There are matters that some people, including the right hon. Gentleman, might deem unusual, and that may be so in terms of party combat, but that does not necessarily have an implication for the conduct of proceedings in Parliament or for the judgment of the Chair. That said, the right hon. Gentleman has put his point squarely on the record.

Sir Peter Bottomley (Worthing West) (Con): Further to that point of order, Mr Speaker. Going one stage further as one of those Members who have, perhaps, been around for longer than we ought to have been, am I right in saying that there is a convention that votes follow voices, but that is not invariably the case?

Mr Speaker: It is not, but I strongly deprecate the suggestion that the hon. Gentleman has been around for longer than he ought to have been. *[Interruption.]* I am not wishing his untimely end, notwithstanding the sedentary dissent of the Patronage Secretary.

John Mann: As I was saying, equality is a fundamental issue in respect of Treasury matters. The make-up of this Committee reinforces and exemplifies an historical bias on equality that is a significant bar to effective decision making cross-party and over many generations. One only needs to look at the fact that Chancellors of the Exchequer have been male throughout the centuries. Therefore, in the modern era when all parties rightly, and with increasing success, are bringing women forward into Parliament, this Committee's membership demonstrates an old-fashionedness and backdatedness that this House should not endorse tonight.

This gets to the nub of the gentleman's club and the way in which decisions are being made and have been made. I suspect that no such discussions on equality took place as the names were put forward, and that, in fact, the different parties put forward their names in accordance with the usual time-honoured, historical tradition, and nobody then took an overview. I suspect that the bias against Scotland, Wales and Northern Ireland came about in exactly the same way.

Bob Stewart (Beckenham) (Con): Based on this argument, I am surprised that two male Members have tabled this amendment. Surely 50% of them should have been female, but I do not think that that is the case.

John Mann: It is good that serious interventions are being made. On Treasury matters, there is a historical bias going back over the centuries, but this Parliament has not got to grips with it. We made exactly the same mistakes when establishing the Select Committees. The usual channels have brought forward names and those names are not reflective of the House or the country. That is a fundamental weakness.

Harriett Baldwin (West Worcestershire) (Con): Will the hon. Gentleman be moving on to the next point, which is the disproportionate number of people called David on this Committee?

John Mann: I will not be making frivolous points about the forename or surname of any of the Members put forward for this Committee. However, the question of gender balance is not going to be knocked off the agenda so easily, because it is fundamental to the whole workings of Parliament. If Parliament in the modern era is portraying itself through one of the very first Joint Scrutiny Committees to be established and the elected House of Commons manages to get itself in a bind whereby all the Members put forward are English males, we are letting the country down. We are also letting down the principle of modernisation, which, superficially at least, is shared by those on both sides of the House. If we are really trying to encourage a wider array of people to take an interest in this House and, in future years, to stand for this House, how we portray ourselves in the Committees that we create is a fundamental principle.

I put it to the House: in what other way can the House manifest its commitment to an inclusive Parliament—a Parliament that is representative of all parts of the country, of all sections of the country and of both sides of the gender division within the country? There is a fundamental point at issue, which the Government, in failing to give proper time to have this proposal debated, are shying away from. That is a weakness at the heart of government.

Thomas Docherty: My hon. Friend is making a compelling argument. Has he considered the idea that in the future it might be helpful if a statement were attached to each name, spelling out what the usual channels felt were the Member's qualifications for this Committee or for the Select Committees?

John Mann: No, I disagree with my hon. Friend. Others were arguing in interventions—they are welcome to make the point at greater length in debate if they wish—that this Committee should be based on experts, but that is a fundamental flaw of logic. The idea that it

[John Mann]

has to be bankers and specialist economists who investigate, make decisions on our behalf and carry out pre-legislative scrutiny and that the basis of these bodies should be some academic prowess or past profession is part of the old school and the gentlemen's club. There is no reason why those from manual working backgrounds or care backgrounds should not also be able to participate in making such decisions as effectively as anyone else as members of these Committees.

When the world looks in, and, in particular, when our constituents look in, and we examine how far we have modernised or not modernised, as exemplified by the failure in the make-up of this Committee, we find, at the very end of the first year of this two-year Parliament and as we go into the summer recess, that the problem is magnified. We are talking about one of the last decisions made by Parliament before the recess. It is a recess that some believe is too long—I tend to share that view—but through which this Joint Committee will apparently be working. If that is the signal we send out to the country of how we see the modern world and financial services and how we intend to influence such services, it undermines our ability to do the kind of things we want to, although we disagree on the precise remedies. Removing such influence from ourselves and weakening ourselves by having such an unrepresentative Committee is a fundamentally flawed policy, but other weaknesses in the make-up of the Committee must be explored.

One such weakness is the fact that the balance between Government and Opposition does not reflect the balance in Parliament. That seems to me to be fundamentally wrong. There may or may not be a desire to have votes in the Committee, but, as regards the contribution, input and perspectives raised when four of the members come from the Government side and two from the combined Opposition side, that distribution does not seem to be democratic or appropriate. It does not reflect the election results.

Sir Peter Bottomley: Unless the number of members is increased, changing the balance by one person from 4:2 to 3:3 brings equality, which does not reflect the present situation in the House of Commons, does it?

John Mann: I thank the hon. Gentleman for his intervention, but there is no suggestion of any name being added—certainly not from me. The suggestion is merely to remove one name to create a better balance of 3:2. Of course, one never could and never should attempt to use an entirely mathematical equation to resolve such matters, but the principle that the balance in Committees should reflect the balance in the elected House is surely one this House would have to abide by. The hon. Gentleman is right; there could have been other ways of doing this, such as adding another member, but it seems to me that adding another member, perhaps from one of the smaller parties, would be rather a hostage to fortune, because we must ask which Member it would be and from which party. Back Benchers could not simply be nominated at random without some process to enable consultation—the very consultation that the Government failed properly to carry out for this Committee. We all know why the make-up of the Committee is as it is and what the Government's agenda is.

Thomas Docherty: Perhaps my hon. Friend does not recall the exchange between me and the hon. Member for Portsmouth South (Mr Hancock), who is no longer in his place. I explicitly said that we would expect and hope that the Liberal Democrat party would offer a fresh name in the coming days.

Sir Menzies Campbell (North East Fife) (LD): That is inconsistent.

John Mann: The right hon. and learned Gentleman, from a sedentary position, says that that is inconsistent, but there is no requirement for those proposing an amendment to agree on every remedy that would emanate from it.

My purpose is not to make any comment on individual Members but to ensure that because there is a balance between the other place and this place the Government take the issue back and rethink the entire make-up of the Committee in order properly to reflect the Parliament that we have, the elections we have had and the modern world we live in. I seek no more than that, but of course my hon. Friend the Member for Dunfermline and West Fife, who has added his name to the amendment, may have other, additional and different reasons. That does not negate the argument; indeed, one could argue that in a democracy it strengthens the case because there are different arguments from different perspectives with different options provided. The principle remains the same, however: it is invidious to have a balance of 4:2, four from the Government side and two from all the combined Opposition parties. However one looks at it, that in no way reflects the result of the last election.

It seems to me rather demeaning for this Parliament to go into such a long summer recess with this Committee apparently sitting through it with such imbalance and such bias. This question of priority and of why the Committee is sitting through the summer is another reason why the amendment has been tabled. If the amendment was passed, one would hope that the Government would be forced to rethink at this late stage. They chose not to table the debate earlier, although they had the opportunity to do so, but one would hope that the time for reflection they would have over the recess would also mean that the proposal for this biased and unrepresentative group, in relation to the general election, to Parliament as a whole, to the nations of the United Kingdom, to the gender balance in the House, to democracy and to the world in which we live, could not happen. It seems to me a wrong priority in the month of August, when there are many important things that we could be deliberating and engaging on, for this Joint Committee to be establishing its work. A slight delay allowing the Government to rethink, reformulate and re-democratise the proposal would be wholly in order. I am sure that in their heart of hearts that is exactly what hon. Members are thinking tonight, having heard the arguments that have been put forward. No hon. Member would want to go into this long recess having taken a decision so unrepresentative of our country, our Parliament and the world in which we live.

There is another fundamental issue at stake that has not yet been addressed, which the amendment would also allow reconsideration of—the giving away of financial control and powers to the other place. Important debates

and deliberations on the future of the other place are currently going on, such as whether it should be partially elected—80% elected—how many should sit in it, where they should come from and what the time scale for reform should be. Those are all important issues, not least to parliamentarians in this House. Pre-empting that by giving financial powers to the other place—as the proposal is, in essence, a move towards doing—by having it scrutinise the draft Financial Services Bill jointly with this House is a start on a slippery slope in relation to the historical division on financial matters that has existed ever since democracy in this place was established. The proposal begins to unravel that and one might think that there are some within the coalition whose very agenda that is—those who want a proportionally elected second Chamber that has those financial powers. It seems to me that they have managed to sneak in, through this proposal at this late hour and this late stage—indeed, it would have been without this debate had we not tabled this amendment—potentially a constitutional issue of profound ramifications. It would mean handing over, albeit the very first semblance of doing so, financial powers, decision-making powers and authority to a second Chamber that some want to become an elected Chamber in the very near future.

There will be different views about that and I do not intend to go into what those views are—that is for another day—but it is relevant to the amendment to point out the consequences. Hon. Members who vote through this unwise, undemocratic, unegalitarian, anti-regions, anti-nations, badly thought-out, badly timetabled, rushed and last-minute proposal will be opening this House to potential ridicule from future generations who come here. They will ask when was the moment when we handed over to the other place that first little bit of power in relation to financial matters. When did we allow the second Chamber—

Mr Bernard Jenkin (Harwich and North Essex) (Con): On a point of order, Mr Speaker. May I put it to you that the question of the allocation of powers to the other place is completely outside the scope of the motion?

Mr Speaker: I thank the hon. Gentleman for his point of order. I was listening intently and I was about to say, which I shall now do, that we are concerning ourselves in this debate with the establishment, composition and remit of the draft Financial Services Bill Joint Committee, upon which subject the hon. Member for Bassetlaw (John Mann) is tabling and, I think, speaking to an amendment relating to a narrow part of the matter—namely, a particular member of the Committee. A wider dilation about possible future transfers of power, which might haunt the hon. Gentleman, are not subject matter for this evening's debate, to which I know he will now return.

John Mann: Thank you, Mr Speaker, for your advice. I seek your clarification on one important matter. It was my intention, as demonstrated by my previous remarks, to confine myself to one contribution, looking at the substantive motion as well as the amendment. I may be in error in so doing and may require a second speech. It was my intention to restrict myself to a single speech, and I seek your guidance in relation to that.

Mr Speaker: The hon. Gentleman should proceed with his speech according to his own lights. It is not the normal practice of the Chair to conduct a running commentary on the speech of any hon. Member or to advise an hon. Member in advance of when he might inadvertently be about to slip beyond order. The hon. Gentleman can protect himself.

John Mann: Thank you, Mr Speaker, for that helpful guidance.

The final point that I wish to make in relation to the amendment is that the randomness of selection of an individual member to remove can have many motives and be for many reasons. This important proposal by the Government is fundamentally flawed in its make-up, as I have outlined, being English only and male only, with the Committee meeting as a priority during the summer and being a Joint Committee with the House of Lords.

The weakness of the usual channels, inspired by Government and the Government's timetabling, has meant that we have not been able to have this debate without amendment. I therefore urge that in future when such matters are before the House, they should not be tabled to be nodded through at 10 pm with no debate or require objections from individual Members or groups of Members in order to stop that process, requiring an amendment to allow a debate both on the amendment and on the issues underlying the make-up of the Committee and the flawed and biased decision of Government in that regard. That is the Government's responsibility. We as a House have a responsibility to hold the Government to account and to ensure that they do not get away with such sloppiness in their programming of legislation that they put legislation—

Kelvin Hopkins: I am rather disappointed that my hon. Friend seems to be coming to the end of his speech, which I am enjoying so much. Does he agree that there are far too many tight programme motions in the Chamber and that we should have more thorough debates to make sure that every point can be thoroughly discussed, as my hon. Friend is doing?

Mr Speaker: Order. That is a most interesting intervention, but sadly it has absolutely nothing to do with the establishment, composition or remit of the Joint Committee on the Draft Financial Services Bill.

John Mann: I shall therefore humbly ignore my hon. Friend's intervention and conclude my remarks. As guardians of our democracy, albeit within the confines of the gentlemen's club and the usual channels, and despite the weaknesses imposed upon us by the lack of modernisation, it is our responsibility and duty to expose flawed proposals, such as how the Government have unnaturally put together this unrepresentative and biased group without allowing us a debate that is timetabled in a proper and normal way. It is the Government's responsibility to get that right, and I implore them to do so in future to save us having to object repeatedly at 10 o'clock at night to the flawed logic and bad politics that they have had to use—we all appreciate that it is a difficult time for the coalition—in order to try to hold these two ramshackle coalition partners together.

10.50 pm

Mr Kevan Jones (North Durham) (Lab): It is an honour to follow my hon. Friend the Member for Bassetlaw (John Mann). As he knows, I was born in his constituency, so I have a fond spot for the area in north Nottinghamshire that he represents. I wish to oppose his amendment, but also to raise some concerns about the motion.

It is important that the work of the Committee focuses on getting this right. We all remember, certainly those of us from the north-east, that the first domino to fall in the financial crisis was Northern Rock. We saw people quite rightly queuing round the block, fearing for their savings and worrying what would come next. Getting regulation right will be very important, and therefore the work of the Committee will be very important not only for this generation, but for future generations.

It is clear that this Government, the previous Government and the previous Conservative Government grappled with getting the balance right between regulation and having a free market that allows markets to generate the capital and finance that industry and individuals require. Therefore, the Committee will be very important. The task we have set it, in quite a short time scale, which I will come on to in a minute, is rather intriguing. It is a little like the ark of the covenant, in the sense that I will be amazed if the Committee finds the perfect system for regulation.

The nature of the Committee was referred to earlier. The Government brought forward the White Paper setting out the draft regulation. I am a big supporter of draft legislation. I do not think that the press and public have quite got a handle on it yet, because when Governments change draft legislation it is seen as a defeat for them, and that should not be seen as the way forward.

Kelvin Hopkins: I very much agree with what my hon. Friend is saying. Does he not agree that more pre-legislative scrutiny would improve the quality of legislation and that we should have more of it?

Mr Jones: I agree. To be honest, my answer to the question of the second Chamber is ultimately to vote to abolish it. I have always been a unicameralist and think that if we did the job here better we would get legislation that was not only better, but more timely and well drafted, and we would not have the theatricals that we have to go through with the other place.

The draft legislation is being put forward and I welcome that process. I sat on one of the very first Joint Committees in 2003—the Joint Committee on the draft Civil Contingencies Bill. For a new Member, that was a very good process and learning curve, because it included young and inexperienced Members of this House, such as the hon. Member for Newark (Patrick Mercer) and myself, and Members of the House of Lords, such as Lord Archer, a former Solicitor-General, and Lord Condon, who is a former Metropolitan Police Commissioner. They brought a wealth of experience to that process, which was a good one in that it could not be replicated by the usual way in which we conduct legislative scrutiny in this place. The most important thing was that out of the 130 amendments that were tabled, well over 100 were accepted. The important thing about this Committee will be whether it genuinely conducts pre-legislative scrutiny and whether the Government will really consider changing their proposals.

My hon. Friend the Member for Bassetlaw talked about the House of Lords. I feel uncomfortable not about joint legislative scrutiny with the House of Lords, which is a good process, but about having it for financial matters. That makes me a bit nervous. Not only the membership of the Committee from this House, but the selection process in the other place, which is nothing to do with us, as I well know, have not been thought through. Getting the balance right is a difficult job. The supremacy of this place in dealing with financial issues has to be maintained. I would not like, as my hon. Friend said, for this to be a chink in the armour that breaks the convention that this House, not the other place, deals with finance. Unfortunately, that point seems to have been glossed over in the way that the Government and the usual channels have put the process together. The Procedure Committee or others might want to look in detail at how such Joint Committees come into being. I would not want it to become a regular occurrence for Joint Committees, including those considering financial issues, to have Members of the other place sitting on them and determining what is taken forward.

It will be difficult to get the Bill right. It will be like finding the ark of the covenant to find a regulatory system that everyone agrees with and that protects the public from the scenes that we saw a few years ago. It is interesting that we hear the Conservatives say these days that they are now for more regulation, even though in the 1980s they deregulated the financial markets and then called for less regulation when the previous Labour Government of whom I was a member were bringing in legislation.

I am concerned about the short time scale that is being allowed for the Bill. The motion says that

"the Committee should report on the draft Bill by 1 December 2011."

We are about to go into a long recess and the Committee will have to work through that to keep to that timetable. I wonder why that date was inserted. Getting this right is more important than any headlines the Government wish to create so that they can say they have solved the problem of the regulation of the banks. The date needs to be reconsidered and the timetable extended.

Mr Jenkin: If the date is so important, why did not the hon. Gentleman table his own amendment? Why does he think that the Committee that this House is about to appoint is incapable of reporting to the House if it feels that it has not completed its deliberations? Its members have a mind of their own—they do not need the supervision that he is attempting to give them.

Mr Jones: The hon. Gentleman is being a bit petulant—*[Interruption.]* Pedantic, even. I do not understand why. In my conversations with him, we have never agreed about anything, but we usually get on quite well.

Mr Speller: My hon. Friend agrees with the hon. Gentleman about his Front Benchers' defence policy.

Mr Jones: Without wanting to be diverted by my right hon. Friend, I certainly do agree with the hon. Gentleman about defence expenditure and the shambles that this Government are making of defence, but I shall not digress to that.

It is important that we get this right, so I do not think that having 1 December is right. The hon. Gentleman is right to say that the Committee will change the date if it wishes.

We must look at what is being put forward. The motion states that the Committee shall have five powers:

"to send for persons, papers and records; to sit notwithstanding any adjournment of the House; to report from time to time; to appoint special advisers; and to adjourn from place to place within the United Kingdom."

I will go through each of those because they are relevant to the work of the Committee. On the power to send for persons, papers and records—

The Comptroller of Her Majesty's Household (Mr Alistair Carmichael) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House divided: Ayes 273, Noes 9.

Division No. 331] **[11 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
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Carmichael, Neil
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Chishti, Rehman
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Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Fabricant, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim

Sharma, Alok
Shelbrooke, Alec
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swinson, Jo
Syms, Mr Robert
Thurso, John
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Davidson, Mr Ian
Docherty, Thomas
Durkan, Mark
Hilling, Julie
Jones, Mr Kevan
Long, Naomi
Morris, Grahame M. *(Easington)*
Skinner, Mr Dennis
Spellar, rh Mr John

Tellers for the Noes:
John Mann and Kelvin Hopkins

Question accordingly agreed to.

Question put accordingly, That the amendment be made.

Amendment negatived.

Main Question put and agreed to.

Resolved,

That this House concurs with the Lords Message of 21 June, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That a Select Committee of six Members be appointed to join with the Committee appointed by the Lords to consider the draft Financial Services Bill presented to both Houses on 16 June (Cm 8083).

That the Committee should report on the draft Bill by 1 December 2011.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Nicholas Brown, Mr David Laws, Mr Peter Lilley, David Mowat, Mr George Mudie and Mr David Ruffley be members of the Committee.

Parliamentary Commission for Administration and Health Service Commissioner for England

[Relevant documents: the Ninth Report of the Public Administration Select Committee, Session 2010-12, on Pre-appointment hearing for the post of Parliamentary and Health Service Ombudsman, HC 1220; and the Tenth Report of the Public Administration Select Committee, Session 2010-12, on Remuneration of the Parliamentary and Health Service Ombudsman, Health Committee 1350.]

11.13 pm

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): I beg to move,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Dame Julie Mellor to the offices of Parliamentary Commissioner for Administration and Health Service Commissioner for England.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following motion, on the remuneration of the Parliamentary Commissioner for Administration and Health Service Commissioner for England:

That, in the opinion of this House, the salary paid to the Parliamentary Commissioner for Administration and Health Service Commissioner for England should be £152,000 a year, a sum within the range of salaries payable to Permanent Secretaries in the civil service as required by section 2(2) of the Parliamentary Commissioner Act 1967, as amended by the Parliamentary and other Pensions and Salaries Act 1976; and that this should be subject to (a) any relevant increase for Permanent Secretaries recommended by the Senior Salaries Review Body and (b) after the end of the current pay freeze, 1 per cent. annual uprating in lieu of performance pay; and considers that in future, and subject always to the statutory requirements, the remuneration of the Parliamentary Commissioner for Administration and Health Service Commissioner for England should be agreed by the Prime Minister and the Chair of the Public Administration Select Committee in advance of the recruitment process, and reported to the House, prior to the House being invited to agree to an humble Address on such an appointment.

Mr Hurd: The first motion asks that an humble address be presented to Her Majesty, praying that Her Majesty will appoint Dame Julie Mellor to the offices of Parliamentary Commissioner for Administration and Health Service Commissioner for England. The second motion sets out the detail of her remuneration, and goes on to state that, in future, the remuneration for that role should be agreed between the Prime Minister and the Chairman of the Public Administration Committee before the start of the recruitment exercise. Dame Julie will be appointed for a non-renewable fixed term of seven years.

First and foremost, I wish to record the Government's gratitude to Ann Abraham, who has undertaken the role of Parliamentary and Health Service Ombudsman with great commitment, independence and integrity. She has done much over the past nine years to increase the understanding of the work of ombudsmen.

The Government are also grateful to my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) and other members of the Public Administration Committee for their role in the selection of Dame Julie. In a departure from previous practice, the House has led on the appointment process, working in close

co-operation with the Government. The Government are pleased that the new arrangement for the appointment of the ombudsman has worked well and delivered an excellent candidate in Dame Julie. The appointment process has included the PAC undertaking a pre-appointment hearing with Dame Julie. The recommendations contained in the Committee's two reports, published following that hearing, form the basis of the Government's two motions and I commend them to the House.

11.15 pm

Roberta Blackman-Woods (City of Durham) (Lab): I thank the Minister for his remarks and I also wish to take this opportunity to express the Opposition's gratitude to Ann Abraham for her dedication and exemplary service throughout her period in office.

We welcome the Government's decision to open the process of selecting the new ombudsman to the scrutiny of Parliament, especially by moving the approval of the appointment to this House. The previous ombudsman was selected by an open competition managed by the Cabinet Office and the House was not able to debate the appointment. Today's debate gives the ombudsman the fullest authority available and can only improve her position.

We very much welcome the selection and appointment of Dame Julie Mellor to the post of Parliamentary and Health Service Ombudsman. She is a fantastic choice. I understand that there were a large number of applications of the highest quality, many with relevant experience in the sector, demonstrating the importance of the role and the responsibilities it demands. Julie has a reputation for strong leadership, including turning around failing public bodies and supporting staff teams to deliver more effectively and efficiently. She has 30 years' experience of public services and business. She really demonstrates the skills necessary for this post, including strategic leadership, an ability to influence and effective communication. She has experience of corporate governance, commissioning and leadership.

However, I have a few comments to make about the remuneration process. While we welcome the appointment of Dame Julie Mellor to this role, and support the Government's decision to open up the process of appointment to parliamentary scrutiny, we have concerns that the same transparency and openness have not been extended to the ombudsman's remuneration.

The ombudsman has a quasi-judicial role as a result of their sole accountability for the decisions made and, as a result, for many years the ombudsman's pay has been set within the permanent secretary pay band at the point equivalent to that of a High Court judge. The Government have decided to change this longstanding tradition of a fixed salary. At a time when the Government are seeking to increase transparency and accountability, the decision to abandon the existing fixed-salary scheme and transfer the power of decision to an agreement between the Prime Minister and the ombudsman is incomprehensible. Indeed, the decision appears even more arbitrary when we consider that it is being done at a time when the Government are also attempting to limit the pay of public officials.

The previous fixed-salary scheme ensured that the ombudsman's pay remained in line with that of equivalent roles. I am concerned that without this there will be no independent influence determining the terms of pay. Instead, the remuneration arrangements for the preferred candidate for the post have been negotiated directly between the Government and the candidate for the role of ombudsman, circumventing the necessary scrutiny such a decision requires. The Public Administration Committee, in its report on the ombudsman's remuneration, has outlined considerable concerns, stating that

"this is neither a sound nor desirable way to proceed."

The report's conclusion stated that the Committee regretted

"the Government's insistence on moving away from the established arrangements and substituting it with an invidious process for determining a remuneration package for the Ombudsman without prior reference to the House."

Perhaps more significantly, this direct negotiation places the prospective ombudsman in a position with the Government that impacts on the independence from Government influence that the role requires. The Opposition believe that it is essential that the ombudsman should not find themselves needing to negotiate their salary and any future increases with the Government. The Committee's report recommended that the Government's motion should commit the Government and the House to the principle that in future the ombudsman's remuneration should be agreed between the Prime Minister and the Chair of the Committee. I am pleased that the Minister's motion has recognised the Committee's recommendation. However, the Opposition would wish to go further and recommend that in future the ombudsman's remuneration be approved by the House in the same way as the candidate is now approved.

11.20 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I do not intend to detain the House for long. However, with my colleagues' permission, I would like to place one or two points on the record. In particular, I would like to join the tributes paid to the existing ombudsman, who has done such a fantastic job over so many years. Ann Abraham has stamped her authority on the office of the Parliamentary and Health Service Ombudsman. In particular, she fought a gallant battle over the Equitable Life issue. I am pleased that in the end it was resolved amicably between her and the Government. No one can say that she did not change the course of history on that question, as she has on so many minor issues that are equally important to the people concerned.

Ann Abraham will continue in office until the end of this year. She gallantly gave notice in good time that she wished to step down to give us time to decide not just to appoint a successor but how to appoint one. Traditionally, under legislation, the appointment is made by Her Majesty the Queen on the recommendation of the Prime Minister and with reference to a resolution of both Houses of Parliament. However, traditionally, the appointment process has been handled entirely by the Cabinet Office. Quite early in the process, the Public Administration Committee made it clear that we thought that this was no longer a process that reflected the present times and that Parliament should be much more at the forefront of this procedure. I am grateful that the Government readily conceded this point and handed the whole process over to the House of Commons.

I am extremely grateful to those who took part in the appointment process, notably the Principal Clerk of Select Committees, the permanent secretary at the Department of Health, Una O'Brien, who was the

[Mr Bernard Jenkin]

Government nominee on the panel, Professor Alice Brown, who is a former public service ombudsman in Scotland, David Prince, who was the external assessor appointed by the Appointments Commission, and myself. I am pleased to tell the House that we reached a unanimous decision in favour of Dame Julie Mellor. We had a strong field of acceptable candidates from which to choose and many of them were capable of doing the job, but Dame Julie Mellor has an outstanding record of achievement in the public and private sectors.

In particular, Dame Julie Mellor excelled as chairman of the Equal Opportunities Commission between 2005 and 2009. I can assure the House that we are fortunate to have her. That judgment was confirmed by the pre-appointment hearing conducted by the PAC on 6 July, which was chaired by a colleague on the Committee, the hon. Member for Luton North (Kelvin Hopkins). I absented myself as I had served on the panel and therefore had a conflict of interest. I wanted to ensure that the Committee had a free run in making its own judgment about the ombudsman. Again, she received unanimous approval from the PAC, and I am sure that the House will wish her well in her appointment.

Perhaps the more important issue to raise, however, is the ombudsman's remuneration. As the hon. Member for City of Durham (Roberta Blackman-Woods) pointed out from the Opposition Front Bench, we have slipped into the habit of aligning the ombudsman's salary with that of a High Court judge, which was appropriate, because, like a High Court judge, the ombudsman has the right to summon persons and papers to resolve the issues before her. However, in the interests of pay restraint, and with the Prime Minister's salary in mind, the Government have set about trying to re-evaluate the correct salary for quite a large number of public appointments.

The Committee was, shall I say, distressed that the ombudsman's salary was caught up in that general process. The difficulty that we had in arguing for the status quo was that the Parliamentary Commissioner Act 1967 makes no reference to a High Court judge; rather, it says that the salary should be fixed to that of a permanent secretary. Unfortunately, unlike in 1967, when the legislation was passed, the salary of a permanent secretary is a moveable feast these days. Their salaries extend from a little over—or even a little under—£100,000 to well over £200,000. Fixing the salary to that of a permanent secretary has now become an arbitrary process, although we did not feel it right for the Government simply to take the matter into their own hands. The Government were determined that we should advertise the post with a salary range that we describe in our report on the remuneration as "arbitrary", and we are distressed that we were left in that position.

The current ombudsman has been clear that de-linking the ombudsman's salary from that of a High Court judge leaves the office vulnerable to the charge that it is being downgraded by the Government. The office used to be analogous to that of the Comptroller and Auditor General, who now earns a significantly higher salary than the ombudsman. At some stage this matter will have to be addressed, but, as the hon. Member for City of Durham said, the most invidious part of the process is that the ombudsman, having been approved by the panel and agreed by the Government in principle, then had to negotiate her salary within the range offered by the Government, which was between £152,000 and £172,753. We did not feel it right that someone who will be responsible for holding the Government to account on behalf of complainants should have to negotiate her remuneration with the very Government whom she should be regulating. Having discussed the matter with one of two others in prominent public positions who had found themselves in the same situation, I can state that the Committee is entirely right to have concluded that this is an entirely unacceptable basis on which to proceed.

Charlie Elphicke (Dover) (Con): It is a great pleasure to serve on my hon. Friend's Committee. I would like to hammer home the point that the function of the ombudsman is analogous to that of a High Court judge, in that the ombudsman acts as a large-scale arbiter and provider of justice. As such, it is right and proper that the ombudsman's salary should be on a level equivalent to that of a High Court judge. Does my hon. Friend agree that the appropriate course is for the Minister to listen to this debate, go away and reconsider the matter?

Mr Jenkin: I have great sympathy with my hon. Friend's comment, but the Committee concluded that it would be wrong to upset the arrangements that the new ombudsman had negotiated with the Government. To her credit, she did not argue the toss. She simply said, "I want this job, I want to serve Parliament" and decided that, for her, the remuneration was not significant. However, it is instructive to quote what she told the Public Administration Committee during her pre-appointment hearing. On whether it was right to downgrade the job and to negotiate her own salary, she said:

> "I have to say that I do not think it has been a satisfactory process, and I have found myself making the principled argument...around what the criteria should be for determining the pay, and I do not think as an individual I should have been put in that position."

The Government, having accepted that principle, are addressing the matter, but I have spoken about this matter with such force because it raises questions about every single public appointment that the Government make, and the independence of the appointments is at stake.

I am bound to tell the Minister that, on the advice of the Public Appointments Commissioner, we shall return to the way in which public appointments are made in a future inquiry, because we think that the use of the Prime Minister's salary as an arbitrary benchmark for salaries for positions such as these is neither a scientific nor a reasonable basis for making such appointments.

Robert Halfon (Harlow) (Con): Like my hon. Friend the Member for Dover (Charlie Elphicke), I served on the Committee that interviewed Dame Julie Mellor, and I agree that she gave an outstanding interview. Will my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) acknowledge that she is taking a substantial pay cut to take on the job of ombudsman?

Mr Jenkin: My hon. Friend is absolutely right. Since Dame Julie ceased to be chair of the Equality and Human Rights Commission, she has been working in the private sector and earning substantially more than

she could ever hope to earn in the public sector. For that reason, she felt that she was going to take a pay cut anyway, and the differences that were being argued about were not worth any suggestion of compromising her independence. She has argued, however, that she should never have been left in that position. This also has a lesson for other appointments—particularly, perhaps, that of the chair of the United Kingdom Statistics Authority. In that instance, with a more limited field of candidates, the Government's preferred candidate has withdrawn her name, so we shall have to go through a reappointment process. Perhaps if the right salary and conditions had been set at the outset, rather than being arbitrarily cut by the Government, we would not now be facing that situation.

I wish to be charitable to the Government, however. I thank them for addressing this matter, and they have agreed in principle that these things should be done differently next time. They have agreed that the salaries should be decided between the Chair of the Public Administration Committee and the Prime Minister before the recruitment process starts, so that when the position is advertised there is no question of the candidate having to arbitrate his or her salary after the appointment has been made.

In closing, I invite the Minister to recognise that this is the system that is effectively being put in place for the Comptroller and Auditor General, and that the salary should be agreed between the Chair of the Public Accounts Committee and the Government. Should not this also be reflected in the legislation for the ombudsman? The "Open Public Services" White Paper, which was published last week, suggests that the Government will amend the powers of the ombudsman in respect of tendering for public services, and there might well be other changes to the office of the ombudsman in the next year or two, particularly with regard to public access to the ombudsman, which at the moment is not general but is confined to health service complaints. Does the Minister agree that it would be preferable for stability in the salary to be reflected in legislation, to protect the independence of the position in future, rather than relying on horse trading between a Select Committee and the Government, which is how we have to proceed at the moment? I invite the Minister to give us some assurances on those points this evening.

11.33 pm

Mr Kevan Jones (North Durham) (Lab): I should like to start by agreeing with what the hon. Member for Harwich and North Essex (Mr Jenkin) said about the role that Ann Abraham has played as parliamentary ombudsman. As Members of Parliament, many of us will have referred cases relating to the Child Support Agency and tax credits to her. She and her staff have dealt with those cases very efficiently and ensured that those people, who had had awful experiences at the hands of the system, got some redress. I should also like to welcome the appointment of Dame Julie Mellor to the post. She has considerable experience in the public and private sectors, and her enthusiasm for the role was evident during her interview with the Public Administration Committee.

The Government have not handled the issue of remuneration well. With their spin agenda and attempt to translate sound bites into policy, they do not understand one thing about the parliamentary ombudsman. There seems to be a difference between what the sound bite element in the Conservative party comes up with and putting things into practice. They are creating long-term problems for the Government in respect of the parliamentary ombudsman's position. Her decisions, which will often criticise Departments for their dealings with our constituents, should be independent of the Government and this House.

It is in our interests as Members of Parliament to ensure that the ombudsman is as independent as possible. However, I do not think it is possible for her to be independent when she has to negotiate her own pay with the Government. I am not suggesting for one moment that Dame Julie Mellor is going to be influenced by money; clearly, as has already been said—by the hon. Member for Dover (Charlie Elphicke), I believe—she took a pay cut to do the job in question. We hear the rhetoric about being on a par with the Prime Minister's salary, but no policy decisions have been made on that and no evidence has been provided on why the benchmark for senior positions should be the Prime Minister's salary.

Since I have been in the House—the last Labour Government might have been as guilty as this one—independent bodies have been asked to decide on remuneration, but when Governments did not like the outcome, they changed it or argued against it. That might be justifiable when it comes to MPs' pay, which we put out to an independent body. The first thing the Government did was to stop us taking the increase, which was to be over many years, taking our pay further and further down. There is a big difference between that and the ombudsman, who has to be seen to be independent from the Government. It is not acceptable for the Government or Executive to be able to exert any levers over the ombudsman.

There is a lot of inconsistency in what has been done. The hon. Member for Harwich and North Essex raised the issue of the Comptroller and Auditor General—another post that should be independent of the Government—but his salary range goes from £210,000 to £214,999. The point made by the hon. Member for Dover is right: with a link to a High Court judge, it is the independence of the person that counts. Controlling things in the way the Government have done—to be honest, I do not think they have done it intentionally; it is just that the soundbites have got the better of them—shows that they have not thought this through. If we are to have this nonsense whereby the Prime Minister's pay is the benchmark, I ask the Minister to provide at least some justification of why and how it is formulated.

It is important to understand the history of the parliamentary ombudsman and the health service ombudsman. The Committee's report was good both in questioning why things had been changed and in saying that the previous situation, although it had arisen largely as a result of tradition, was at least a justifiable way of determining the individuals' pay.

Schedule 1 of the Health Service Commissioners Act 1993 says that where a person holds the office of parliamentary ombudsman and the office of the health service ombudsman, they are entitled to draw a

"salary pertaining to the office of the Parliamentary Commissioner."

Section 2 of the Parliamentary Commissioners Act 1967 sets out the salary provisions for the parliamentary ombudsman, and section 2(1) states:

[Mr Kevan Jones]

"There shall be paid to the holder of the office of Commissioner the same salary as if he were employed in the civil service of the State in such appointment as the House"

may resolve from time to time. The Act states that, in the absence of a resolution passed by the House, the salary payable to the ombudsman

"shall be the same salary as if he were employed…as a Permanent Secretary."

Over time, the way in which civil servants are remunerated has changed. The current annual salary of permanent secretaries ranges from £140,000 to £239,999. There is also the bonus culture, of which, as a former trade union official, I am not in favour. To give the impression that civil servants' pay is being kept down, the basic salary is kept down but bonuses are paid as well. Civil servants may be on the lowest scale of £140,000 a year, but by the time they have received their bonuses—and various other payments—they are earning considerably more.

The salary of the Cabinet Secretary and Head of the Home Civil Service ranges from £235,000 to £239,999. The salary of the chief executive of the national health service ranges from £210,000 to £214,999. The annual salaries of the permanent secretaries of the Departments that are responsible for most complaints to the ombudsman range from £170,000 to £174,99 and from £180,000 to £184,999.

It will be asked why that matters. I believe that it matters because of the status of the ombudsman herself. That can best be explained by means of an exchange of letters between the present ombudsman, Ann Abraham, and the Prime Minister, which revealed that the current salary was analogous to that of a High Court judge in salary group 4, which is £172,753. As the hon. Member for Dover pointed out, we are asking such people to act in a quasi-judicial capacity, and I think it important that they not only retain their status but cannot be influenced by Government.

In a letter to the Prime Minister dated 11 April 2011, Ann Abraham wrote:

"The existing arrangement provides an objective and effective mechanism for determining the Ombudsman's salary, and any increases to it. It gives Parliament assurance that an Officer of the House is being appropriately remunerated and it provides clarity and certainty for the Ombudsman. It enables Government to reject out of hand any suggestion that Ministers or officials are applying undue pressure or offering inappropriate rewards to the Ombudsman."

She went on to object to the salary bands proposed by the Government.

I think that it was right to link the ombudsman's salary with that of a High Court judge, because it meant that the ombudsman, either on appointment or each year, would not interfere with, or have some influence over, his or her pay, and it removed the danger, which may be posed by the salaries of the many civil servants who earn much more than the ombudsman does now, that the person concerned would be influenced by his or her salary level. Continuing to do that would also dispense with the nonsense that if we are not careful—I will say more about this in relation to the motion concerning the increase in the salary of the new occupant of the post—it will be necessary to negotiate every time there is a new Government, or if the salary becomes pegged below its present level when the economy becomes buoyant in the next few years and pay restraint is removed.

Mr Peter Bone (Wellingborough) (Con): The hon. Gentleman is making a detailed and valid point, but MPs, too, have to hold to account people who are earning a lot more money than them. Is there not a correlation between that point and the argument he is making?

Mr Jones: There is—and quite rightly. Because of previous Governments' and this Government's pegging of MPs' pay, many people, even some quite low-level local government workers, are earning considerably more than us. In terms of the process that we are addressing, however, it is important that the ombudsman is independent of, and cannot be influenced by, Government. We have a slightly different relationship with the individuals to whom the hon. Gentleman has referred.

These measures were all brought in on the basis of pay restraint. A lot has been said about trying to cut senior salaries. I have already mentioned the Auditor General's pay, and there seems to be some inconsistency across Government about where this restraint should apply. If we are going to make exceptions, I cannot see why things were changed here, as opposed to, say, for Bernard Gray who was appointed Chief of Defence Materiel at the Ministry of Defence by this Government on a salary of £250,000 a year, plus a potential bonus of £30,000. I know that that is a very important job; it delivers equipment to our armed forces. I have no objections to Bernard, either; I know him well, and he is a very fine individual. However, if the decision was taken to break the principle of the Prime Minister's salary being the ceiling in that case, I do not understand why the Government have intervened in that way in this other case.

The Prime Minister's letter of 21 June reveals a lot about the attitude to pay restraint policy. I do not think he has understood the process. What we are doing here is going away from quite a well-thought-out system to one that has now brought into doubt whether not only current Ministers and Governments, but others too, could influence these areas in future.

Mr Jenkin: I think that the hon. Gentleman will find that when he served as a Minister, civil servants received performance-related pay and quite substantial salaries. Indeed, larger salaries were probably offered to public officials than the current Government are offering. I am therefore not quite sure what his complaint is. Does he now recognise that the Government have conceded the principle of what he is arguing in the wording of their motion, in that in future the salary will be agreed between whoever holds my office of Chair of the Select Committee on Public Administration and whoever is Prime Minister

"in advance of the recruitment process"

starting, so there will be stability in the salary at the outset of the recruitment process? I am therefore not quite sure what the hon. Gentleman is arguing with the Government about now.

Mr Jones: The hon. Gentleman has not won a great victory here, because he has no powers of determination now in respect of the existing salary, unless he is going to be able to go back and negotiate—be the shop steward—on behalf of the ombudsman each year to increase her salary. A mechanism would be better.

What is the difference between this instance and the cases of other individuals—such as the MOD example that has been given—in terms of the pay restraint policy that the Government are introducing? Another problem is where to start in terms of the salary band. As the motion says, the individual would get an increase, but that will be forgone at the moment.

Mr Jenkin: Is the hon. Gentleman seriously suggesting that we should have come back to the House of Commons, with the new ombudsman having negotiated and agreed her salary at the current level, demanding that the House of Commons vote for a higher salary than she has agreed? In these straitened times I think that the British public would have found that difficult to understand. Starting from now, we have come up with a much better solution to sort this out for the future without embroiling the new ombudsman in a silly controversy that would have distracted from the seriousness of her office.

Mr Jones: The hon. Gentleman cannot have it both ways. He cannot say that he is objecting to the arrangement and that he has obtained some kind of victory for the future when he has not. I am sorry to say that what was wrong was the fact that the Government intervened by imposing an arbitrary cap and then saying to the ombudsman, "Sit down and negotiate your pay." He has obtained something for the future but it is not going to affect the starting salary or the situation now. He is asking whether it would have been wrong for his Committee to have suggested something, but it could have proposed a mechanism that would have possibly increased a larger salary. If it is okay for Bernard Gray at the MOD to be paid £250,000 a year plus bonuses, why are the Government not having consistency across the board? This is a very important job, as it involves independence from the Government and from Parliament, and it is wrong for the Government to be interfering.

Charlie Elphicke: I say to the hon. Gentleman that under the previous Government there was a lack of ability to check pay and keep it to the correct level. As a matter of policy, it is right, in general, that officials should not be paid more than the Prime Minister. Nevertheless, the failure and misunderstanding of the policy in this particular case relates to the fact that the ombudsman's role is akin to that of a High Court judge, and her office means that she should be treated in the same manner as a High Court judge. That is what I hope Ministers will consider, and will perhaps reflect upon and act upon.

Mr Jones: I know that the hon. Gentleman is a new Member, but he is living in hope if he thinks that any future Government are suddenly going to throw money at individuals once the salary has been set; he is being a bit naive to say the least. He makes an interesting point about the figure of £142,500. The policy is that nobody should earn more than that. Why? Where has that come from? We know where it came from. It came from the soundbite machine at the general election, from this Government and from a Prime Minister who does not need the salary in any case, because he has independent wealth. If someone could argue that that was the proper level for the job, that would be fine and I would have no problem with it. However, no evidence is being put forward to support that figure of £142,500. That is an absolute fortune, and most of my constituents could only dream of earning anything like that, even in 10 years, let alone in one year. None the less, I would have more respect for the Government's approach if there were an evidence base to suggest that that figure was the norm, rather than people plucking it out of thin air and then trying to give an impression that it is the norm and capping the pay of the ombudsman—the one post that it should not have been applied to—while having different arrangements for other positions, such as the MOD example that I gave, and others.

I opposed bonuses when I was a trade union official, and the hon. Gentleman is right about our approach. The last Government used them all the time; we tried to say that we were keeping civil service pay down but we were paying bonuses instead. I was always against bonuses because they do not accrue in terms of pensionable entitlements. Let us be honest and say that the Government should try to get away from this whole idea.

The Government have put forward the same argument in respect of local government. The idea that cutting the salary of the chief executive of Durham county council by £5,000 a year or £10,000 a year will actually make a difference in delivering £140 million-worth of cuts over the next three years is completely bonkers. It is nice for the newspapers and it is a nice soundbite at elections, but it does not do the job. What we need in all these situations, as we need in any organisation, is well-thought-out remuneration structures. I am not happy about the cosy relationship between the Chair of the Committee and the Prime Minister in determining the salary of this individual. What the Committee should have proposed are the proper, thought-out, independent salary review processes that we need. As I said before, all Governments try to ignore them when they do not quite fit what they are arguing for, but that is what we need in this case.

The Government have done the ombudsman a huge disservice by intervening in such a way. I feel sorry that she is now lumbered not only with this salary but with a feeling that she somehow has to negotiate her own salary. The Committee did not pull its punches. It said:

> "We believe that this is neither a sound nor desirable way to proceed."

One of the many things about the Government that concern me is the fact that they are completely ignoring processes in devising any type of policy. That leads not only to inconsistencies but to changes that will have an effect, over time, on how the ombudsman service is seen.

My final point concerns the motion. We will agree a salary of £152,000, which the motion says is

> "within the range of salaries payable to Permanent Secretaries".

It is and, as I have already demonstrated, it is not. There are some who are on possibly £100,000 more than that and who are eligible, as the ombudsman is not, to receive annual bonuses. The hon. Member for Dover is right. On some occasions in the Ministry of Defence, I could never quite work out which targets some people got bonuses for meeting. Bonuses were used as a way of avoiding giving pay increases.

[Mr Kevan Jones]

The motion says that the salary should be subject to

"any relevant increase...recommended by the Senior Salaries Review Body and...after the end of the current...freeze, 1% annual uprating in lieu of performance pay",

and that the House considers

"that in future, and subject always to the statutory requirements, the remuneration of the Parliamentary Commissioner...should be agreed by the Prime Minister".

That is fine for the future, but why 1%? What is that figure based on? Trying to do something at the end is not very satisfactory. Although the motion will be passed tonight, the Government have a lot of questions to answer about why they have intervened in such a way.

11.57 pm

Sir Peter Bottomley (Worthing West) (Con): The hon. Member for North Durham (Mr Jones) has spoken in a way that has interested the House. If I say that he has managed to say in 23 minutes what he might have said in three, I hope he will take that as a compliment.

The essential point of the second motion is that the pay of the parliamentary ombudsman should be set in advance. There is a lack of clarity about whether that will be done before the appointment is advertised. Today, if the motion goes through, I shall be voting for the first time in 36 years for something that I think is seriously wrong. It is wrong to advertise a post and then negotiate with the person who is chosen and reduce the pay after the appointment has been offered. That is wrong. One can understand why the Government might have done it, but that does not make it right. Controlling spending is necessary, but to do it after an appointment has been offered is wrong.

I could say that many more times, but the fact is that this decision is one thing the House has done that is equivalent to what happened when Elizabeth Filkin was chosen to be the Parliamentary Commissioner for Standards. Her number of days was reduced, her pay was reduced, her appointment should have been renewed because in those days it was not a non-renewable appointment, and in her last week this House agreed to pay her the £30,000 she had been underpaid during her years of service. If I may make a remark about a former holder of the office of Chair, when the former Speaker said in her memoirs that she did not approve of the commissioner or of some action, I thought that was wrong as well.

Mr Jenkin: I feel compelled to intervene on my hon. Friend because I do not think it is accurate to say that the Government cut the salary after the post had been advertised. They notified the House of Commons that they did not wish to pay as much as the existing salary and the recruitment panel was left in the invidious position of wondering how to advertise the post. The strong advice we received was that we should advertise a fixed salary, but the Government would not allow us to do so. We advertised based on the existing salary, but that was qualified and the candidates were informed during the recruitment process that it was subject to alteration. It was not a satisfactory process, however, so the spirit of what my hon. Friend is saying is absolutely right.

Sir Peter Bottomley: I am grateful to my hon. Friend and I congratulate him and the Government business managers on finding a motion that could get through the House. The essential point remains however—I think I am right in saying this—that the salary negotiation took place after the person had been chosen, and that is wrong. Although I was not part of the process, I understand that the candidates were strong and that almost any of those who were well-qualified to be chosen could probably have decided to take the job at no pay if it had been advertised at no pay because it is an important position of public service to the people of this country and, indirectly, to improve the government of the country. The essential point is that we should never again start negotiating with someone who has been offered a job in competition by saying, "At what level will you do it?"

My hon. Friend the Member for Harwich and North Essex (Mr Jenkin) referred to the UK Statistics Authority, whose report was published today. The report rightly says that its aims, with the Office for National Statistics, are respect—I do not think that aim has been met in this case—and working together to make a difference, which is true. Another of its aims is being proud of what has been done and always trying to do it better. In terms of trying to do things better I am not sure that, without a framework, it is correct for the Prime Minister and the Chairman of the Public Accounts Committee to decide rates of pay. We need to have a framework and then we can say, "This is what it would appear to be—it should be up or down on that."

I ought to have started by saying that I approve of the selection of Dame Julie Mellor and that I would have approved of the selection of any of those on the shortlist because I agree with my hon. Friend the Member for Harwich and North Essex that any of those who got to the shortlist could have been appointed with honour and distinction. However, let me make a less important point. Motion 9, which is being taken with the lead motion, refers to the rate of pay which is

"subject to (a) any relevant increase for Permanent Secretaries recommended by the Senior Salaries Review Body and (b) after the end of the current pay freeze, 1 per cent. annual uprating in lieu of performance pay",

and it goes on to things we have discussed already. I do not think those conditions are right. We ought to say that the rate of pay for someone holding that office should not change at all, as with Members of Parliament between general elections. We ought to say that, although there might be some inflation or even deflation, the rate of pay for someone holding a position that goes from appointment to a point at the end of service, or, as for us, from one general election to another, should remain the same. I do not think that 1% in lieu of performance pay dignifies the office, is necessary or makes sense, but that is not to be amended.

Mr Jenkin: I share my hon. Friend's concern about this but the problem is the legislation, which allows the salary to be determined only in relation to that of a permanent secretary. That is why I invited my hon. Friend the Minister to give an assurance that we will, at the earliest opportunity I hope, update the legislation.

Sir Peter Bottomley: I shall conclude my remarks by joining in the praise for Ann Abraham and the way she has fulfilled the job, and I look forward with anticipation to Dame Julie Mellor's doing the same.

I do not think anyone in the House thinks it was the Minister's idea to get us to this position, although he might have helped us out of a difficulty. I hope that he will say to ministerial colleagues that it would be better to get my hon. Friend the Member for Harwich and North Essex, as Chairman of the Public Administration Committee, and others together to create a framework so that we avoid any possibility of dropping ourselves into such a mess again. I leave aside the fact that Dame Julie Mellor is female and that the House has a record of saying to people, "We're going to change the terms of the job and a woman will do it." There are other times when I may be more explicit about such things, but there is an opportunity to say here, with approval for Dame Julie Mellor and disapproval for the way we got ourselves into this fix, that we expect the Government to take on their responsibility and, with others, find a way of resolving it for the future.

12.4 am

Kelvin Hopkins (Luton North) (Lab): I shall speak briefly to say some positive things about both Ann Abraham and Dame Julie Mellor. I was a member of the Public Administration Committee for eight years in the previous Parliament and met Ann Abraham on many occasions, saw her at work and interviewed her many times. She was always first class. She was steadfast, highly intelligent, a genuine representative of the people she served, and loyal to Parliament. She sometimes had to take stands on behalf of citizens and of Parliament in the face of the Government, who were sometimes unwilling to accept her recommendations. In the end, she won through with the unanimous support of the Public Administration Committee, which I was pleased about. Ann Abraham has done a tremendous job and I am sure other eulogies will be made when she retires at the end of the year.

Because the Chairman of the Select Committee, the hon. Member for Harwich and North Essex (Mr Jenkin), was on the appointment committee, I had the privilege of chairing the pre-appointment hearing. That was not just a privilege, but a pleasure. Dame Julie came before us and was subjected to an hour of questioning. Each member of the committee asked several difficult and searching questions and she came through with flying colours. She was absolutely the right person for the job and I compliment the hon. Member for Harwich and North Essex and his colleagues on recommending her appointment. They have got exactly the right person.

I am confident that Dame Julie will be a worthy successor to Ann Abraham. It was a pleasure interviewing her. We enjoyed the experience. For her, it may have been something of an ordeal but, as I say, she came through it very well indeed and will be a great success in the post. I add my support for the appointment.

12.6 am

Mr Hurd: There have been sincere tributes from both sides of the House to the work of Ann Abraham, and it is clear that she has made an outstanding contribution. Her legacy will be a valuable and lasting one, not least, as my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) said, in relation to Equitable Life.

I am delighted that there is such consensus about the qualities of Ann Abraham's successor. Dame Julie Mellor's record as chairman of the Equal Opportunities Commission demonstrates that she is able to perform well in a high-profile and sometimes controversial role, and is prepared to assert her independence and authority when required—all crucial traits, I am sure we agree, for a successful ombudsman.

A number of Members have made points about the remuneration arrangements for the role. The Government make no apology for subjecting highly paid public sector roles, particularly those paying more than the Prime Minister's salary, to a strict policy of scrutiny and pay restraint, and do not believe that this undermines the status and independence of the ombudsman role. As set out in the motion, Dame Julie has agreed to accept an annual salary of £152,000, which will be subject to the current public sector pay freeze. Thereafter, the remuneration will be uprated in line with the text of the motion.

Sir Peter Bottomley: I do not make this as a personal remark. Could my hon. Friend consider, with his colleagues, making a written ministerial statement any time the Government next intend to negotiate the pay after a candidate has been chosen?

Mr Hurd: That leads me on to my next remark. The Government have reviewed the way the process was conducted and have been quick to accept the Public Administration Committee's recommendation that for future appointments to the role, the remuneration arrangements should be agreed between the Prime Minister and the Chairman of that Committee before the start of the recruitment process. This commitment is reflected clearly in the Government's motion.

My hon. Friend has raised the possibility of using any legislation coming out of the Government's recently published open public services White Paper to enshrine these new arrangements in statute. As he knows, the Government's proposals in relation to the ombudsmen set out in that White Paper are at an exploratory stage, and it is too early to know what may be required in terms of legislative reform, but the crucial point is that the Government are committed to these new arrangements going forward and that commitment is clear from the terms of the motion. Subject to the outcome of that debate, should a suitable legislative opportunity arise in the future, the Government will give serious consideration to enshrining the new appointment and remuneration arrangements in statute.

Mr Jenkin *rose—*

Mr Hurd: I am grateful to hon. Members for their contributions to the debate about this important role. I commend the motions to the House.

Sir Peter Bottomley: On a point of order, Mr Speaker. Would it be possible for the Chair of the Public Administration Committee to make the point that he was hoping to make?

Mr Speaker: No.

Question put and agreed to.

Resolved,

That an humble Address be presented to Her Majesty, praying that Her Majesty will appoint Dame Julie Mellor to the offices of Parliamentary Commissioner for Administration and Health Service Commissioner for England.

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATION AND HEALTH SERVICE COMMISSIONER FOR ENGLAND (REMUNERATION)

Resolved,

That, in the opinion of this House, the salary paid to the Parliamentary Commissioner for Administration and Health Service Commissioner for England should be £152,000 a year, a sum within the range of salaries payable to Permanent Secretaries in the civil service as required by section 2(2) of the Parliamentary Commissioner Act 1967, as amended by the Parliamentary and other Pensions and Salaries Act 1976; and that this should be subject to (a) any relevant increase for Permanent Secretaries recommended by the Senior Salaries Review Body and (b) after the end of the current pay freeze, 1 per cent. annual uprating in lieu of performance pay; and considers that in future, and subject always to the statutory requirements, the remuneration of the Parliamentary Commissioner for Administration and Health Service Commissioner for England should be agreed by the Prime Minister and the Chair of the Public Administration Select Committee in advance of the recruitment process, and reported to the House, prior to the House being invited to agree to an humble Address on such an appointment.—*(Mr Hurd.)*

Business without Debate

MEMBERS' EXPENSES

Ordered,

That Adam Afriyie, Guto Bebb, Cathy Jamieson, Mr Edward Leigh, Priti Patel, Mr Nick Raynsford, Joan Walley and Stephen Williams be members of the Committee on Members' Expenses.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

CULTURE, MEDIA AND SPORT

Motion made,

That Cathy Jamieson be added to the Culture, Media and Sport Committee.—*(Geoffrey Clifton Brown, on behalf of the Committee of Selection.)*

Hon. Members: Object.

TRANSPORT

Ordered,

That Gavin Shuker be discharged from the Transport Committee and Graham Stringer be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

PETITIONS

Future of the British Train Building Industry

12.10 am

Chris Williamson (Derby North) (Lab): Mr Speaker, you will probably be aware from press reports that the British train building industry hangs in the balance because of a Government proposal to build trains in Germany for the Thameslink rolling stock programme, rather than at Bombardier in Derby. Feeling in the city is running extremely high. I have secured more than 50,000 signatures for the petition, calling on the Government to look again at the proposal to award the contract to Siemens in Germany, not least because the Prime Minister visited Derby only three and a half months ago and said that he was committed to rebalancing the economy in favour of the manufacturing industry. The citizens of Derby are hoping that he and the Government will take the same course of action that we saw in 1971 when Rolls-Royce went bust and the Government at the time did the right thing.

The petition states:

The Petition of citizens of the United Kingdom,

Declares that they are concerned about the future of the British train building industry. Their concern is a consequence of the decision to appoint Siemens as the preferred bidder for the new fleet of trains for the Thameslink Programme. The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport to reverse this decision.

And the Petitioners remain, etc.

[P000941]

Consultation on Electricity Transmission in Somerset

12.13 am

Tessa Munt (Wells) (LD): I rise to present a petition from the residents of Wells and others who are concerned about the standard of National Grid's consultation relating to 152-feet high pylons that are proposed to go across the Somerset levels, which would spoil beyond belief the Somerset countryside and damage incredibly the tourism on which most of Somerset is dependent. The people of Wells and others have asked that National Grid consider a choice of various forms so that they can see the cost and other factors that are involved in using alternatives to pylons and overhead lines—in particular, that it should consider undergrounding using an under-sea route through the Bristol channel or a version alongside the M5 corridor. The petition includes the signatures of over 1,500 residents of Wells and the surrounding area.

The petition states:

The Petition of residents of Wells and others,

Declares that the Petitioners believe National Grid's consultation on proposals to erect 152 ft high pylons is flawed; that the proposal would blight the beautiful unspoiled Somerset countryside; and further declares that the Petitioners accept that electricity transmission is essential but the Petitioners are concerned that National Grid is offering consultees a choice between two unacceptable routes, chosen by National Grid solely on the basis of cost, to the exclusion of other viable options such as undergrounding, under the Bristol Channel or along the M5 corridor.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to encourage National Grid to stop the current consultation into electricity transmission in Somerset and consider other viable options.

And the Petitioners remain, etc.

[P000943]

Licensing of Mobile Home Parks

12.15 am

Nicky Morgan (Loughborough) (Con): I wish to present a petition on behalf of the residents of Palma park homes in Loughborough that has been signed by 284 people. The House will be aware of concerns that have been expressed by Members of Parliament in all parts of the House about the way in which many park homes are managed. Such homes are often occupied by older and more vulnerable people. In Loughborough—I know that this experience is shared in park homes across the country—there are high maintenance and management charges and difficulties in selling these

homes. At Palma park we have also recently had alleged incidents of violence between the former owner and the current owner of the park.

The petition states:

The Petition of the residents of Palma Park Homes, Loughborough, Leicestershire

Declares that the Petitioners are concerned about the standards of conduct exhibited by the owner of Palma Park Homes.

The Petitioners therefore request that the House of Commons urges the Government to introduce a fair, clear and simple licensing system for those owning mobile home parks, so that licence holders must show that they are fit and proper persons to hold such a licence, and that any regulations or legislation should set out how a licence may be revoked if a licence holder is found by the local authority to no longer meet the fit and proper criteria.

And the Petitioners remain, etc.

[P000945]

Election Petitions

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

12.17 am

John Mann (Bassetlaw) (Lab): I rise to introduce this Adjournment debate on an issue that should be, and I think will be, of interest to all Members of the House—perhaps unexpectedly and by surprise in future years if the law is not changed. I declare not an interest, but a long-standing personal friendship with one of the individuals to whom I shall refer—Mr Phil Woolas, the former Member for Oldham East and Saddleworth, who is nowadays something of an expert on election petitions and their impact.

There has been a long history of election petitions over the past 400 years, but since 1604 there has not been much change in this respect in Parliament and therefore in this country. There has been a fundamental weakness in how the law has been consolidated in 1983 and since then. As is well recognised, the Electoral Commission has been privy to cross-party discussions—one could even call them negotiations—on such matters. In a helpful advice note, the commission said of the legal basis for challenging the result of an election:

"There was broad support for a review of the current legal basis for challenging the results of an election. The general"—

cross-party—

"consensus was that the process was antiquated, not user-friendly and that reform of the process was needed."

Similarly, on the rather minor issue of the correction of procedural errors, it states:

"If the Returning Officer concludes that the wrong person was declared 'duly' elected because of a procedural mistake, he or she currently has no powers to correct the error beyond advising the affected candidate to lodge an election petition."

That is clearly nonsense and an anomaly that needs to be rectified in law.

Petitions on minor but important issues that do not affect the result do not occur. In essence, those issues disappear. One cannot challenge a precise wrong within the process without a full election petition. We should have a system that allows candidates or third parties to point to errors that do not affect the outcome without involving the principle or requiring the potential expense of attempting to remove an elected Member. Any candidate or third party with a rational interest should have the power to point to something that has been done that is anomalous, wrong or mistaken, such as errors that are made in the process by a local authority or a returning officer. The inability to do so in the current system, other than by an exchange of correspondence, is a weakness that undermines our system of democracy.

We now get on to the much bigger issue of costs and surety. Given the nature of political argument and the often heated debates within election campaigns, it needs to be difficult for losing candidates to put in petitions that could be deemed frivolous. If it is too easy to put in an election petition and every candidate puts one in, perhaps because they have lost by a few votes and are looking for an excuse to overturn the result, it clearly does not suit Parliament and democracy. That must be balanced against the potential risks of costs should one put in a petition. It should not be only those with significant wealth, and who might be able to meet

[John Mann]

adverse costs, who should feel confident about putting in an election petition if there is a wrong that requires righting. There is an imbalance within the process that needs to be rebalanced. We must allow genuine petitions to go forward without encouraging reckless or frivolous petitions that are not genuine, and the ability to take forward a petition must not rely on finance.

The problem of costs was compounded recently by a case involving local election petitions in Slough. This is not a party political point, so I will not even mention the parties involved. The key issue is the principle. One of the major parties ended up with a councillor in prison. The other party, which brought the case, sought to have its costs awarded when it won the case. However, the party whose councillor was in prison dropped the candidate. It was up to the party that won in court potentially to bankrupt the individual. Clearly there needs to be a better system than that. I put it to the Minister that what is needed is a provision to allow election courts a wider remit in awarding costs and in deciding who should meet them. In particular, if a party defends the case, or aids and abets the defence, there should be the possibility of costs in part or whole being awarded against that party rather than necessarily against the individual. I do not think the continuation of the Slough example will serve any of the political parties in this country in future.

A case that, perhaps remarkably, has not been discussed in the House before is that of Mr Phil Woolas, who was a Member of the House and was elected at the last general election. I think it is reasonably fair to say that he was a widely respected Member on both sides of the House. Of course, he is no longer a Member, and indeed he cannot stand in any election for three years. I am not questioning the judgment that was made; I am questioning the process and its weaknesses and inflexibility. I think it will be helpful if I quote part of the conclusion of the judgment made by the two judges who sat on the election court. They stated:

> "In our judgment to say that a person has sought the electoral support of persons who advocate extreme violence, in particular to his personal opponent, clearly attacks his personal character or conduct.
>
> It suggests that he is willing to condone threats of violence in pursuit of personal advantage.
>
> Having considered the evidence which was adduced in court we are sure that these statements were untrue. We are also sure that the respondent had no reasonable grounds for believing them to be true and did not believe them to be true."

One of the anomalies in the current law is the question of what is "personal character and conduct". The previous time there was an electoral petition on the matter was the North Louth case in 1911. However, unless the law is changed, there is a danger in the era of the modern media that because one such case has been taken, many such cases could be taken. From looking at the publicity and propaganda that there have been, I think it is factually accurate to say that there have been worse in recent elections from all three main parties than in the case of Mr Woolas, and the candidates in question have won. Indeed, there is a significant question of how we determine the facts of a case. Others have raised that matter, and it was part of the appeal that was attempted. However, before I come to it, there is a point that has never been raised that I will raise for the first time.

I am aware that the leaflets that caused offence were not written by Mr Woolas. He never made great play of the fact that he did not write them, but I put it to the House that less honourable politicians may well have used that as a basis of defence, although not necessarily successfully. They might have said that somebody else wrote the publicity. The question is where the sanctions should be applied. Should they be solely applied to the candidate?

Tessa Munt (Wells) (LD): Will the hon. Gentleman give way?

John Mann: No.

Clearly the candidate needs to take responsibility for their publicity, but the reason that question rings so true to me is that in 1997, I was sent by the Labour party to oversee the last five days of the campaign in Oldham East and Saddleworth of Mr Phil Woolas. I wrote the leaflets in the last five days, and Mr Woolas, as a good candidate, was not consulted on them at any stage.

In the parlance of the Labour party agents—it is no different among the other major parties—candidates have been known for decades as "LNs"—legal necessities. My leaflets were beyond reproach, but if they had not been, who would have been responsible? Would it have been the writer of the leaflets, the legal agent appointed by the candidate, or the candidate? It seems to me that some flexibility of sanctions is needed in the law, to take that question into account. The matter could be further complicated, of course, if leaflets were put out jointly with local election candidates, potentially involving two agents and different candidates.

It seems to me that there is a fundamental weakness in the law. In essence, the question available to the election court, as demonstrated in the case of Mr Woolas, is yes or no, guilty or not guilty. If guilty, the sanction must be the ultimate one of striking out. No other option was available in Mr Woolas's case. There was no option of looking to see whether the leaflets influenced the campaign. Therefore, a leaflet that is written but never distributed—a copy could be obtained—could be used to overturn an election result.

There is a second principle: there is no right of appeal—the press coverage at the time of Mr Woolas's case perhaps confused that. The Fiona Jones case in 1999 was a criminal prosecution. Because of that, she successfully appealed and was reinstated as a Member of Parliament. In the civil case against Mr Woolas, no appeal was possible, as was recognised when he attempted a judicial review, and therefore it was not possible to look at the statements of fact as determined by the election court judges. Natural justice in any other place dictates that there should be an appeal. A murderer of the worst kind has a right of appeal, and yet a parliamentarian who has lost his seat because of an election court ruling—as others could—does not. That anomaly needs to be changed. It was changed in relation to criminal cases because of the Fiona Jones case, but it was left out of the 1983 consolidation Act.

It is essential that the Government move quickly to change that before lots of similar cases are brought to attempt to change results. I put it to the House that in the internet era, there is a greater possibility of more cases being brought, because there are more outlets for things being stated as part of a campaign. The candidate—

rightly and honourably—must accept ownership of those things, but he might not have direct control of them during the campaign. I put it to the Minister that we are all at risk.

My final point to the Minister is a separate one that relates to my election. I estimate that a wealthy benefactor in the other place, Lord Ashcroft, put in £250,000 to try to win my seat in the election, and he did so quite legally. Many photographs of the then Leader of the Opposition, the now Prime Minister, were sent by direct mail. One household received 29 direct mails, and mine received six. It was a waste of money—it may have increased my vote—but there is an unfairness in the system. If I had £250,000 to spend, I think I could increase my majority.

That also needs to be looked at. A review of fairness, honesty and integrity in elections is imperative—a review that does not excuse certain behaviour or give candidates of any party anywhere to run; and that allows honourable, fair and just campaigns and outcomes; but that leaves fair, just and reasonable remedies for those who wish to challenge them. The internet, e-mail, texting and Twitter age dictates that the Government must introduce legislation to change the foundation of electoral law in the UK, which is described by Roger Morris and David Monks, in "Running Elections 2003", as

"Victorian in construction and tone".

We need to modernise, and for all our sakes, we need to do so quickly.

12.34 am

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): I congratulate the hon. Member for Bassetlaw (John Mann) on securing the debate. It is not the first time we have heard from him this evening, but no less the worse for that.

The Government want to improve public confidence in all aspects of our electoral system. I am sure that all hon. Members would agree that it is important that the conduct of all elections to this House, and to local authorities and the European Parliament, are beyond reproach. I agree with the hon. Gentleman when he says that we want elections to be decided through the ballot box and not in the courts, but some remedies should be available to deal with cases of corrupt or illegal practices by candidates or agents. There should be clear and robust mechanisms for challenging the results of elections, and he is right to say that they should include appropriate, proportionate and accessible safeguards. The Government's view is that that is the case under the Representation of the People Act 1983.

The hon. Gentleman raised several issues of cost, including the overall cost, and made a specific point about a court's ability to apportion costs. My understanding is that courts have a wide discretion under section 154 of the Act to apportion costs. He raised a specific case that I will endeavour to look at after the debate and consider what he said in the light of it.

The hon. Gentleman also made a point about proportionality. Although there may be technical reasons why a returning officer may have declared a particular result, revoking the election of somebody is a significant step and should not be done lightly. Although the hon. Gentleman suggested cases in which it might be considered only an administrative matter, if we think a little more about it we realise that those of us who have been elected would not want our elections to be overturned by some relatively straightforward process. It should be difficult to overturn an election, and we need to strike a balance in the level of proportionality.

Notwithstanding the relatively recent case of Phil Woolas, it is also worth saying that the election petition device—certainly for parliamentary elections—is rare. There have only been seven petitions issued against the results of UK parliamentary elections since 1997, and only two of those have been successful. Hon. Members on both sides of the House would agree that it would not be healthy if we had regular challenges.

The hon. Gentleman mentioned appeals. The High Court in the Woolas case confirmed that section 144 of the 1983 Act said that decisions of the electoral courts were final insofar as matters of fact were concerned. The hon. Gentleman was right about that, but I do not agree that that was a misconsolidation of the 1983 Act. If he goes back to the 1868 Act—I will not go as far back as the 400 years that he suggested—he will see that it was also clear that matters of fact were final decisions that the election court could take. In the Woolas case, the High Court made it clear that the decisions about the application of the law were judicially reviewable—

John Mann: The anomaly is that for a criminal case the law has been changed and allows an appeal, as the Fiona Jones case demonstrated. In a civil case, no appeal is allowed, and that surely is neither rational nor fair.

Mr Harper: I shall come on to that point in a moment. I just wished to make the distinction clear between matters of fact and the application of the law, which—to be fair—the hon. Gentleman did. The High Court made it clear that it was possible for judicial review of how the election court had applied the law.

On the basis of that decision, I do not think that the law needs to be changed to clarify the decision that matters of law can be appealed, although there was confusion in the reports of the case about whether Phil Woolas was appealing or requesting judicial review.

It is for Members to weigh up the issues, taking into account the hon. Gentleman's point that we never know when we might be the subject of one these petitions. However, we must balance against that the need for a level of speed in the process. When Phil Woolas sought a judicial review, the High Court concluded on the justification for finality on fact:

"Election petitions must be determined with urgency. Finality in the determination is of great importance for not only must the electors have a representative in Parliament, but in times when majorities are small, the absence of a Member can be significant."

A balance needs to be struck in this process between getting the right decision and getting it quite speedily. He raised several points about that matter. The Government keep it under review, but at the moment we are not persuaded by his arguments.

At the end of his remarks, the hon. Gentleman raised a more general issue about party funding. He will know that the coalition Government have made a commitment to deal with party funding—hopefully, on a consensual basis. We are waiting for the Committee on Standards in Public Life to publish its report. The committee might make proposals that we can take as a basis for

[Mr Harper]

conversations between the parties and that might deal with some of the issues he has raised. He also made a point about the danger of political arguments being used to try to overturn elections. I think that the High Court made clear the distinction between false statements of fact about a candidate's personal character or conduct and their political or public position—a statement had to be one or the other, but could not be both. Members when approving literature and others when thinking about challenging us should bear it in mind that it is not about running off to court every time someone says something about someone's political position.

The hon. Gentleman made a point about things that get authorised by us. The legislation makes it clear that candidates should be liable to have their election voided only if they or their election agents—not lots of other people, but specifically they or their election agents—have authorised or consented to those illegal practices. That should ensure that election candidates and their election agents are careful about what they authorise and approve the spending of money on. They should perhaps be careful not to delegate that responsibility to others. It is not the case that anybody involved in a campaign can put out pieces of paper—if they are not approved by the candidate or election agent, they cannot lead to what happened in the case of Mr Woolas.

In conclusion, the Government agree that there should be proportionate and accessible procedures for challenging elections. We will keep the current position under review, and I will consider the specific issues that the hon. Gentleman raised, particularly on costs, and come back to him one way or the other.

Question put and agreed to.

12.43 am

House adjourned.

House of Commons

Tuesday 19 July 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Syria

1. **Mr David Hanson** (Delyn) (Lab): When he next expects to discuss the situation in Syria with his US counterpart. [66855]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I am in regular contact with Secretary Clinton and I last discussed Syria with her on Friday.

Mr Hanson: I thank the Foreign Secretary for that answer. Given the recent violence, including the reported shooting of unarmed protesters, does he agree with Secretary of State Clinton that the Syrian Government have lost legitimacy? Given the level of violence, particularly the attacks on the US embassy and the French embassy, what steps is he taking to ensure the security of British citizens who work for the United Kingdom and are operating in Syria now?

Mr Hague: The right hon. Gentleman raises some important issues in relation to recent events in Syria. We absolutely deplore the continuing violence against protesters. Reports overnight from the city of Homs suggest that between 10 and 14 people were killed, including a 12-year-old child. We have condemned the attacks on the American and French embassies and we called in the Syrian ambassador last Wednesday to deliver our protests and to demand that Syria observes the requirements of the Vienna convention. The US and British Governments are united in saying that President Assad is losing legitimacy and should reform or step aside, and that continues to be our message.

Mr Philip Hollobone (Kettering) (Con): Iran has been involved in training Syrian troops and providing materiel assistance, including crowd-dispersal equipment. What assessment has the Foreign Secretary made of the dark hand of Iran in fomenting trouble in the middle east and in supporting illegitimate regimes?

Mr Hague: Iran has certainly been involved in the way that my hon. Friend describes, and I set out a few weeks ago that I believed it to be involved in that way. It shows the extraordinary hypocrisy of the Iranian leadership on this that it has been prepared to encourage protests in Egypt, Tunisia and other countries while it has brutally repressed protest in its own country and is prepared to connive in doing so in Syria.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): Does the Foreign Secretary agree that the world has been far too slow in its response to the appalling abuses of human rights in Syria? Surely, after the events of the weekend and the past few days in particular, there is now an urgent need for a clear and strong United Nations Security Council resolution.

Mr Hague: I think the world has been not so much slow as not sufficiently united on this. It has not been possible for the Arab League to arrive at a clear, strong position, which makes the situation entirely different to that in Libya, where the Arab League called on the international community to assist and intervene. There has not been the necessary unity at the United Nations Security Council and at times Russia has threatened to veto any resolution. Our resolution, which was put forward with our EU partners, remains very much on the table and certainly has the support of nine countries. We would like the support of more than nine countries to be able to put it to a vote in the Security Council, but it is very much on the table and we reserve the right at any time to press it to a vote in the United Nations. The hon. Gentleman is quite right to say that recent events add further to the case for doing so.

Nuclear Non-proliferation and Disarmament

3. **Paul Flynn** (Newport West) (Lab): What recent progress his Department has made on nuclear non-proliferation and disarmament. [66858]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): We continue to work across all three pillars of the non-proliferation treaty to build on the success of last year's review conference in New York. I am particularly proud of the work we have done towards ensuring the first conference of nuclear weapon states, which was held recently in Paris—the P5 conference—in which further progress was made, particularly towards disarmament.

Paul Flynn: Does not the tumult of the Arab spring mean it would be a good idea to advance the date of the planned conference next year? That would give us a real chance positively to involve both Iran and Israel.

Alistair Burt: The conference to which the hon. Gentleman draws attention was designed to provide for a middle east free of weapons of mass destruction, and was part of the outcome of the review conference in New York last year. The steps taken to build up confidence to get to that conference are obviously complex and although it would be good if it could be advanced, the practical difficulties will probably outweigh that. The fact that it is there on the table as something for people to work to for 2012 is a good thing and we should concentrate on that, but any hopes that it might be brought forward may be dashed.

Afghanistan

4. **Thomas Docherty** (Dunfermline and West Fife) (Lab): What recent discussions he has had with his US counterpart on Afghanistan. [66859]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I meet Secretary Clinton regularly and last discussed Afghan security, political and economic issues with her on the eve of President Obama's state visit here.

Thomas Docherty: I thank the right hon. Gentleman for his answer. I hope that he will take the opportunity to convey both our thanks to the Secretary of State for the work of General Petraeus and our full confidence that General Allen will take that forward in the coming period. Will he discuss with the Secretary of State the way in which we can involve women more in the future of Afghanistan?

Mr Hague: I have conveyed those thanks. In fact, I will meet General Petraeus later this week, and will once again convey them to him. Women have a very important role, in our view, in the future of Afghanistan. I have met women students at Herat university, and a conference for women who could play a leading role in bringing peace to Afghanistan was held at the same time as the Kabul conference last year. That is an agenda that the United States and the United Kingdom want to push. Secretary Clinton is foremost in doing so, and we will support her.

Sir Menzies Campbell (North East Fife) (LD): As the draw-down of troops begins in Afghanistan, will my right hon. Friend confirm that it remains the policy of Her Majesty's Government to withdraw combat forces from 2014? Is that still the collective policy of NATO and most particularly, from the United Kingdom's point of view, is it the policy of the United States?

Mr Hague: It is our United Kingdom policy that by 2015, after the transition of security control to Afghan forces across Afghanistan, United Kingdom forces will not be engaged in combat operations or be present in anything like the numbers in which they are today. That, we believe, is consistent with the approach taken by NATO and by the United States which will lead, following the agreement at Lisbon last autumn, to a full transition in 2014. I can assure my right hon. and learned Friend that that remains our policy, and it is consistent with that of our allies.

Ann Clwyd (Cynon Valley) (Lab): The Secretary of State will know that a recurring theme for me is the protection of women in any talks with perhaps the more extreme part of the Taliban. Can we ensure that the progress achieved for women in Afghanistan will be protected and that they do not return to the home but can go to school, take up a profession and participate in the country's political life?

Mr Hague: I very much hope so. We cannot foresee the whole future of Afghanistan but, as the right hon. Lady knows, enormous progress has been made regarding the involvement of women and the education of girls in Afghanistan. That should bring about profound changes in Afghan society in future. Concepts of human rights, including women's rights, are written into the Afghan constitution. One of the requirements that President Karzai has set out for future reconciliation is acceptance of the constitution and of a democratic way of life. We will always insist that that is an important part of Afghanistan's future.

Mr Tobias Ellwood (Bournemouth East) (Con): May I join in the tributes to General Petraeus, who has done a difficult job in Afghanistan? We have been there for 10 years, and some say that we are trying to tiptoe out of the country, suffering from Afghan fatigue. Is the Secretary of State reconsidering the Bonn accord and the constitution in line with what the Afghan people want, which is a less centralised and more regionalised approach to governance in Afghanistan?

Mr Hague: There is certainly no tiptoeing here. Our involvement in Afghanistan will remain very, very strong over the coming years—both the military effort over the next few years and our long-term commitment to Afghanistan through economic co-operation, development aid, governmental expertise and so on. My hon. Friend refers to local governance and devolved decision making, which are important issues in Afghanistan and must be considered as part of the whole debate on reconciliation by the High Peace Council and in meetings between the Afghan and Pakistani Governments as they discuss the matter. Ultimately, that is for them to determine.

China

5. **Mark Hendrick** (Preston) (Lab/Co-op): What steps he is taking to maintain a close bilateral relationship with China. [66861]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): Across government we have regular visits and exchanges with the Chinese authorities at ministerial and official level. My right hon. Friend the Prime Minister hosted Premier Wen of China for the annual UK-China summit on 27 June. In line with our commitment to boost exports and inward investment, the summit announced £1.4 billion-worth of trade deals.

Mark Hendrick: As the Minister has just mentioned, £1.4 billion-worth of trade deals were signed between China and the UK. After his visit to the UK, Premier Wen went to Germany and signed deals worth £9 billion, which is six and a half times the value of the deals signed with the UK. There were 13 Chinese Ministers in Berlin signing deals with 10 German Ministers. *The Economist* described the UK visit as a "sideshow" compared with the German visit. What are the Government doing to make sure that the UK does not play second fiddle to the Germans when it comes to economic partnership with China?

Mr Browne: I am grateful to the hon. Gentleman for the attention and effort he affords to China, because I share his objective that British society and British politics as a whole should engage with China at a much higher level. I am delighted that the Foreign Secretary announced only a few weeks ago that as part of our network shift we will put an additional 50 staff into China to ensure that Britain plays an increasingly large role in what is now the world's second largest economy.

Mel Stride (Central Devon) (Con): This month the Chinese Communist party celebrated its 90th anniversary, with the Chinese Premier stating that there would be no progress without stability. Does my hon. Friend agree that there can be no progress in China until there is respect for human rights and that any progress without it would be tainted? Will he also join me in calling for the immediate release of the Nobel peace laureate Liu Xiaobo?

Mr Browne: I think that it is right that we acknowledge the extraordinary economic advances that have been made in China in recent decades, with literally hundreds of millions of people being lifted out of extreme poverty, but my view, and the view of the British Government, is that the rule of law and respect for human rights goes hand in hand with further economic progress in China. We believe that it is very much in the interests of the Chinese to embrace the agenda that my hon. Friend has so accurately described.

Emma Reynolds (Wolverhampton North East) (Lab): I am sure the Minister shares our concern about the rising tensions in the south China sea, where there are many competing maritime claims. What discussions has he had with his Chinese counterpart on the situation, and does he believe that China's planned deployment of its aircraft carrier would substantially alter the power balance in the wider region?

Mr Browne: That is one of the subjects that we have regular dialogue with the Chinese about, and the hon. Lady is right to point out the tensions and concerns that exist in some of the countries bordering China. We continue to be vigilant in trying to ensure that that is not an area of the world where conflict is brought about or tensions rise.

Balkans

6. **Henry Smith** (Crawley) (Con): What recent assessment he has made of the level of political stability in the Balkans. [66863]

The Minister for Europe (Mr David Lidington): Progress on political and economic reform in the western Balkans is uneven. We welcome the successful conclusion of EU accession negotiations with Croatia but remain particularly concerned by the political situation in Bosnia and Herzegovina, where sustained international focus is needed.

Henry Smith: I am grateful to my right hon. Friend for that reply. What is Her Majesty's Government's assessment of the readiness of Croatia and Serbia to join the EU, given the fact that, with hindsight, Romania and Bulgaria probably acceded to the Union too soon?

Mr Lidington: The Croatian Government have met the conditions laid down by the Commission and supported by member states, but the European Council also agreed when it concluded accession negotiations that there should be a further stage of pre-accession monitoring to ensure that the Croatian authorities' commitments to reform are still delivered in practice.

We look forward to the Commission's report on Serbia's progress on economic and political reform, which is due in December. Although the arrest of Mr Mladic was an important step forward, it does not remove the need for Serbia to do everything else with regard to internal reform and addressing regional co-operation to meet the terms of EU accession.

Mr Denis MacShane (Rotherham) (Lab): On that very point, while welcoming the EU-brokered talks between Serbia and Kosovo, does the Minister share my disappointment that immediately afterwards President Tadic called for the partition of Kosovo? Serbia is also meddling in Bosnia and Montenegro as if it still controlled Serb regions in those countries. Does he agree that Serbia has to be told that it must accept Kosovo's right to nation statehood and recognise Kosovo, and that that is a sine qua non for British acceptance of Serbia going down the road to EU membership?

Mr Lidington: As far as the British Government are concerned, it is quite clear that the frontiers in the Balkans have been drawn and there is no going back on Kosovo's independence. Regional co-operation must be addressed in the context of an accession process for Serbia and a full European perspective for Kosovo. We welcome the initial agreement reached through the dialogue and want that to progress further.

Bob Stewart (Beckenham) (Con): While the political process in Bosnia is in such flux, the malign influence of organised crime is growing. I am very worried by this. What assessment does the Minister make this horrible influence on the day-to-day lives of people in Bosnia?

Mr Lidington: When I was in Sarajevo last month, the issue of corruption and, in particular, the failure of judicial and police institutions came up again and again in conversations with representatives of civil society. If Bosnia and Herzegovina is to make progress towards EU membership, it is vital that these matters are fully addressed. A detailed menu of reforms is laid out in the Commission's report published at the end of last year. We continue to urge the Governments in Sarajevo and in Banja Luka—the two entities—to make progress. In the first place, they have to form a state-level Government. Until that is in place, it is difficult to see the required progress being made.

Mr Wayne David (Caerphilly) (Lab): It has been 16 years since the massacre at Srebrenica. Will the Government indicate what is being done at home and abroad to make sure that young people learn about this atrocity?

Mr Lidington: My right hon. and noble Friend Baroness Warsi attended the anniversary commemorations in Srebrenica this year, and she made clear, in her public speech on behalf of the British Government and in her private conversations with civic and political leaders of the different communities, the importance of community reconciliation and of making sure that atrocities such as that of Srebrenica are not forgotten but serve as a reminder to everybody from all traditions, in Bosnia and Herzegovina and in the wider Balkans, that the horrors of the past must be put behind us and that we need to work for reconciliation for the future.

Horn of Africa

7. **Duncan Hames** (Chippenham) (LD): What recent assessment he has made of the political and security situation in the horn of Africa. [66865]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I visited the horn of Africa earlier this month. The security situation in Somalia remains a major concern. Piracy continues to present a significant threat. South Sudan's independence is welcome, but agreement still needs to be reached on a comprehensive peace. The current drought in the horn of Africa is a serious humanitarian crisis affecting some 10 million people. We are working to prevent a crisis becoming a catastrophe, including helping to feed 1.3 million people facing starvation in Ethiopia.

Duncan Hames: I thank the Foreign Secretary for that answer. I sincerely hope that the massive movements of people do not aggravate a humanitarian disaster through increased international political tension. The UN World Food Programme says that changing weather patterns have led to

"an almost constant state of food insecurity"

in the region. What forward planning is his Department preparing to respond to the increased likelihood of future flashpoints such as this, caused in part by climate change?

Mr Hague: The agencies state that the food insecurity situation in the region is the most serious in the world today. We are doing a great deal. My right hon. Friend the International Development Secretary was there at the weekend and announced a further £52 million of aid. We are the second largest bilateral humanitarian donor to this region in the world, after the United States. On the longer-term issues, we are one of the foremost countries in the world in putting climate change at the heart of foreign policy considerations, and this is one of the reasons for that. The Department for International Development will give consideration to other longer-term measures that now need to be taken.

Mike Gapes (Ilford South) (Lab/Co-op): The Foreign Secretary referred to the situation in Somalia. What is his assessment of the role of the al-Qaeda-linked al-Shabaab militia, with which it seems that the aid agencies and the Governments are having to co-operate at some level to get assistance through to starving people? What does this mean for the long term?

Mr Hague: Of course, al-Shabaab's role is entirely negative in Somalia, as the hon. Gentleman appreciates. It is good that AMISOM—the African Union Mission in Somalia—has made some good progress in recent months to secure Mogadishu. There is now a new Prime Minister of the transitional federal Government. I met him on my recent visit to Kenya and have encouraged him in his work. Al-Shabaab has a very negative role. It has previously refused assistance into the area, and that has probably made the situation even worse and driven more people out of Somalia into camps on the Kenyan border that now cannot take more people. It has indicated more recently that it will accept help from the agencies, which are now considering how to approach that.

Stephen Mosley (City of Chester) (Con): The whole House will be extremely concerned about the food crisis currently affecting the horn of Africa. Does my right hon. Friend agree that it is right that the UK should take a leading role, but that we must also encourage our international partners to take a more active role?

Mr Hague: Yes, absolutely. That is really a matter for my colleagues at the Department for International Development. Our strong commitment to put 0.7% of gross national income towards development aid helps us to find the necessary funds to help in this situation. I hope that other nations around the world will be encouraged, emboldened and inspired by the British example, and that some may even be shamed by it.

Mr John Spellar (Warley) (Lab): Let me stress our support for the Government's response to the famine in Somalia and the creation of South Sudan. However, I urge the Foreign Secretary not to take his eye off the ball over piracy off the horn of Africa. Last year, some 60 cruise liners visited Mombasa; this year, just one. That has had devastating effects on its tourism industry. Seafarers around the world are considering boycotting the area. Over the summer, will the Government show more urgency in tackling this menace and in getting the international community to step up its action?

Mr Hague: We will continue to show a great deal of urgency. We are, of course, at the forefront of the EU's counter-piracy operation. We provide its operational commander and headquarters. We have contributed £5 million to the UN Office on Drugs and Crime, which will allow pirates to serve custodial sentences in Somalia. Royal Navy ships have robust rules of engagement. We are examining what can be done to change the balance of risk to make it more risky to be a pirate off Somalia. I am anxious to do that and we are talking to our international partners about it. We are also giving a lot of attention to the political situation in Somalia and supporting the work of the transitional federal institutions.

US-Pakistan Relations

8. **Richard Ottaway** (Croydon South) (Con): What recent assessment he has made of the implications for his Department's policies of the state of US-Pakistan relations; and if he will make a statement. [66867]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): It is very much in the interests of the United Kingdom that there is a good and close relationship between the United States and Pakistan, particularly at the present time. I am in regular contact with senior representatives of the Governments of both countries about our mutual interests, including counter-terrorism, regional security and economic development.

Richard Ottaway: Bearing in mind that the Pakistan Parliament has called for the withdrawal of US drones, the anger in Pakistan Government circles over the killing of bin Laden, and the US announcement over the withdrawal of $800 million of military aid, I am sure that the Minister will agree that the relationship between the US and Pakistan is not good. Does he agree that those two countries will be the two key players in any

Afghanistan settlement and that no country is better placed than the United Kingdom to broker or mediate a settlement between them?

Alistair Burt: I certainly agree with both the substantive points that my hon. Friend makes. It is clear that following the killing of Osama bin Laden there is an issue of confidence between the United States and Pakistan, particularly in defence and security matters. We are indeed encouraging both countries to get over the present difficulties, because their relationship is extremely important. In other respects, such as in the work being done to seek political reconciliation in Afghanistan and the work being done between the Governments of Afghanistan, Pakistan and the United States in the trilateral talks on Afghanistan, the relationship is much better. We hope that that will be a building block for restored confidence in security matters.

Anas Sarwar (Glasgow Central) (Lab): The Minister will be aware that last week three US drone attacks killed at least 30 Pakistani civilians. Will he outline the UK policy on the use of Predator drones, and say what discussions he has had with his US counterparts about their use?

Alistair Burt: The issue of drones is principally a matter for the United States and Pakistan. As far as the United Kingdom is concerned, we expect any conduct in a conflict to adhere to international law, including international humanitarian law. I had an opportunity to discuss matters concerning Pakistan and Afghanistan yesterday with Marc Grossman, the US special envoy, and will be meeting the Pakistani Prime Minister Mr Gillani later today. Drone strikes can be exceptionally important in targeting those who have deliberately targeted others, and the hon. Gentleman and the House will be well aware of the number of civilian deaths in Afghanistan caused by terrorists over the past year and the importance of drone strikes in eliminating key targets who cause such damage to so many people.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Following the question asked by my hon. Friend the Member for Croydon South (Richard Ottaway), given the importance of Pakistan as a front-line state, particularly in relation to Afghanistan, what real help can Britain give, as a strong ally of both Pakistan and the United States, to improve the relationship?

Alistair Burt: My hon. Friend is right that it is a very important relationship, and that it is difficult at the moment, but he is right also to highlight the fact that there is a much closer relationship between Pakistan and the United States on political reconciliation and the political track that needs to be followed in Afghanistan. We see ourselves as a key encourager of that relationship, as well as following the political track ourselves. We work very closely with both countries. As I indicated, there are elements of that relationship that are good and strong and can be built on.

Libya

9. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What consular support his Department is providing to British citizens in Libya. [66868]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): As the hon. Lady will be aware, we have temporarily closed the British embassy in Tripoli. We have a diplomatic mission in Benghazi, but it does not have a consular element. At present, consular issues are dealt with by the normal diplomatic convention of another country covering them, and in our case it is the Hungarian embassy in Tripoli. The pressure on that consulate in relation to UK nationals is currently very light.

Catherine McKinnell: I thank the Minister for that answer. He may be aware of a case that I have raised about one of my constituents, who is employed by an oil company in Libya. The company is refusing to pay my constituent unless he returns to work immediately against the express advice of the Foreign Office. He is also being threatened with legal action for breach of his contract. What further support can the British Government offer UK citizens who find themselves in that situation?

Alistair Burt: I have read the letters extremely carefully, and they were transferred to the Treasury to deal with the sanctions element. I sympathise fully with not only the hon. Lady's constituent but others who have been in that situation. The reason why her constituent cannot return is not so much because of UK travel advice as because of the conflict in Libya. It is not possible for the UK Government to underwrite every broken contract that will have arisen because of the conflict, and there is nothing that can be done to provide financial assistance. What is most important is that the conflict comes to an end as soon as possible, so that the work of reconstruction can begin and contracts can be replaced. Unfortunately, the British Government simply cannot give the sort of guarantee that her constituent might be looking for.

Stephen Gilbert (St Austell and Newquay) (LD): What assessment has the Minister made of the ability of the Libyan state apparatus to survive without Gaddafi, and what other conversations is he having with international colleagues about the possible need for a post-conflict stabilisation force?

Alistair Burt: Together with my right hon. Friend the Secretary of State, I was at the Libya contact group meeting in Istanbul just last Friday. Post-conflict stabilisation and reconstruction is now a very significant element of the international community's considerations of Libya and its contact with the national transitional council. We believe that the future for Libya without Gaddafi is clearly much better than its situation with him. Everything is working towards him leaving power so that the work of negotiation for a new Government in Libya, and the stabilisation work that is a very important part of what is being considered at the moment, can begin.

10. **Mr Dave Watts** (St Helens North) (Lab): What recent discussions he has had with the Libyan transitional national council. [66869]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I met Mahmoud Jabril, head of the national transitional council's executive committee, at the Libya contact group meeting in Istanbul

on Friday, and spoke with him by phone on Tuesday. We discussed a wide range of issues, but with a particular focus on the national transitional council's plans for Libya's stabilisation post-Gaddafi.

Mr Watts: I thank the Secretary of State for that response. How sure is he that the regime that takes over from Gaddafi will be better than the one that exists now? What action would he take if Gaddafi was removed and a regime came in that was worse than the one that we have now?

Mr Hague: The hon. Gentleman has left the House trying to imagine a regime worse than the Gaddafi regime over the last 42 years. I suppose that it is theoretically possible, but on the basis of my visit to Benghazi and meeting the people there, who have an inspiring commitment to freedom and a better future for their country, I can tell him that huge numbers of Libyans are going through what they are going through now in order to have a dramatically better situation. The commitment to democratic principles of the leaders of the national transitional council is genuine. Their commitment to forming an interim government after the departure of Gaddafi, including technocratic members of the current regime, is also genuine. So when Gaddafi departs, there is every prospect of a better future for Libya.

Mr Peter Bone (Wellingborough) (Con): Given what the Foreign Secretary has said and the fact that the French are now dropping arms to the Liberal rebels—*[Laughter.]* I mean Libyan rebels. Is it not a fact that we are now taking sides in a civil war rather than trying to enforce UN resolution 1970?

Mr Hague: Thankfully our coalition is more robust than requiring arms drops to our right hon. and hon. Friends.

I would not characterise the situation in the way that my hon. Friend does. We are enforcing the UN Security Council resolution. If we were not undertaking the military action that we are, the Gaddafi regime would be able to harass and murder large numbers of the people of Libya. That is also why France is taking the action that it is taking. Our military action is devoted to enforcing the resolutions. A political settlement in Libya also requires the departure of Gaddafi, because the people who are fighting for their freedom and some democracy in Libya cannot reach such a settlement while he remains in place.

Occupied Territories

11. **Richard Burden** (Birmingham, Northfield) (Lab): What recent assessment he has made of the political situation in the occupied territories. [66870]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): We welcome the progress that the Palestinian Authority in the west bank has made in building the institutions of a functioning state. We continue to press for credible negotiations to deliver a two-state solution. The Fatah-Hamas reconciliation agreement signed on 4 May has not progressed due to disagreements over the formation of the Government. We welcomed reconciliation in principle, but a new Palestinian Government must be committed to non-violence, a negotiated peace and the previous agreements of the Palestine Liberation Organisation.

Richard Burden: For more than half a century, Israel has rightly been recognised as a full member of the United Nations, with internationally recognised borders delineated by the green line. That has not been seen as an impediment to a negotiated settlement—in some cases, it has been seen as a prerequisite to it. In that case, what is the problem with recognising Palestine as a full member of the United Nations as requested by the Palestinian people, with borders delineated by that same green line?

Mr Hague: This is of course the issue that may come to the UN in September. Whatever happens then, we must remember that to have a truly viable Palestinian state in control of its own territory, it is necessary to arrive at that by negotiation. It can be obtained only through successful negotiation with Israel, whatever resolutions are passed wherever in the world, including at the United Nations. We have reserved our position on the question of recognition. I discussed it again with my European Union colleagues in Brussels yesterday, and we have all agreed that we will reserve our position, partly because it gives us some leverage over both Israelis and the Palestinians as we urge them back into talks in the coming weeks and months. That is our focus at the moment.

Robert Halfon (Harlow) (Con): Does my right hon. Friend agree that there should be no recognition of a Palestinian state while Hamas is part of the leadership, especially because of its rejection of the Quartet principles, no recognition of Israel, no renunciation of violence and no acceptance of the existing treaties?

Mr Hague: Our position on recognition is as I just set out. We have reserved our position for the moment. Hamas remains a proscribed organisation and I call on it again to release Gilad Shalit. I have stressed that we look to any new Palestinian Authority to be committed to non-violence, a negotiated peace and the previous agreements of the PLO.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Will the right hon. Gentleman join the very many Jewish supporters of Israel in Britain, the United States and Israel itself in expressing utter disgust at the legislation passed in the Knesset last week penalising those advocating boycotts, including a boycott of goods made in the illegal settlements in the occupied territories? Will he also agree that turning Israel into an authoritarian state—by limiting and damaging free speech—will not help the peace process?

Mr Hague: This is certainly the wrong way for Israel to proceed. The Knesset passed a Bill a week ago that would fine anyone proposing or supporting a boycott of Israel or Israeli organisations. The Government in no way support boycotts but are concerned about this law, which infringes on the legitimate freedom of expression. I understand that it will be challenged in Israel's courts, and certainly it is not a law that we can support.

Bob Blackman (Harrow East) (Con): A report is suggesting that Hamas has stepped up once again its rocket attacks on the state of Israel. Does my right

hon. Friend agree that it would be utterly premature for the Government to sanction UN recognition of a Palestinian state until such time as the Palestinians and Israelis sit around the table and negotiate on all terms?

Mr Hague: The position on recognition is as I set out a few moments ago. However, my hon. Friend is right to stress the importance of returning to negotiations. The Quartet meeting last week did not reach agreement on a statement paving the way for that, but I discussed the matter with Tony Blair at the weekend and with my EU colleagues yesterday, and we remain hopeful that the Quartet can arrive at a statement that will form the basis for Israelis and Palestinians to resume negotiations over the coming weeks and months. That has to be the way forward.

Mr Speaker: Lisa Nandy—not here.

Commonwealth

14. **Ian Lucas** (Wrexham) (Lab): What his objectives are for the next Commonwealth Heads of Government meeting. [66873]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The Government are committed to reinvigorating the Commonwealth and strengthening it as a focus for democracy, development and prosperity. We see the next Commonwealth Heads of Government meeting as a defining moment for the future of the Commonwealth and we look forward to the eminent persons group's recommendations.

Ian Lucas: There are 11,000 people on death row in Commonwealth countries, and four people were executed in Commonwealth countries last year. Will the Secretary of State raise this issue at the meeting to which he referred, place it on the agenda and do something about making the Commonwealth a more civilised place?

Mr Hague: The hon. Gentleman raises an important issue. The agenda for CHOGM is not yet decided, but I shall certainly give strong consideration to his point. Since the change of Government, this country has maintained its policy on the death penalty around the world, and we will continue to pursue it with our Commonwealth partners. One of the recommendations that we expect from the final report of the eminent persons group is about strengthening Commonwealth values—and this matter is part of that, so I shall seriously consider his proposal.

Miss Anne McIntosh (Thirsk and Malton) (Con): May I join the hon. Member for Wrexham (Ian Lucas) in his bid? May I also commend the Foreign Secretary for placing so much emphasis on climate change? Will he use the next CHOGM to progress the matter so that we can carry the agenda forward in continents such as Africa that are battling with famine now but previously with drought?

Mr Hague: Yes. Climate change is an enormously important subject for the Commonwealth, which is a remarkable network now encompassing almost a third of the world's population across many different continents and climatic zones, so I hope that climate change will continue to be discussed in many different Commonwealth forums and that we can use our membership to promote the legally binding global deal on combating climate change. That is what we need.

Mr John Spellar (Warley) (Lab): We welcome the development of relations between Commonwealth countries and we share the Foreign Secretary's hopes for CHOGM in Perth. However, we also need to recognise that this should be complemented by relations between the peoples of the Commonwealth countries. In that context, will he press for increasing involvement in CHOGM's work and the wider work of the Commonwealth by the social partners, business and the trade unions?

Mr Hague: Yes, in general. It is important that this is not just about a relationship between Governments; the network of nations and peoples of the Commonwealth is felt in many different ways, through the Commonwealth people's forum, the Commonwealth youth forum and the Commonwealth business forum, all of which will have events surrounding the CHOGM meeting that will take place in Perth at the end of October. We do not yet have the details of all those meetings, but the right hon. Gentleman can be sure that that broad agenda will be in action there.

Belarus

15. **Tracey Crouch** (Chatham and Aylesford) (Con): What recent discussions he has had with his international counterparts on the human rights situation in Belarus. [66874]

The Minister for Europe (Mr David Lidington): I regularly discuss with my international counterparts the abuse of human rights by the regime in Belarus. I most recently did so with the Russian deputy Foreign Minister the week before last.

Tracey Crouch: I thank the Minister for his reply. He will be aware that there has been very little progress in Belarus, with the Lukashenko regime continuing to arrest people who peacefully protest against the Government there. Given the regime's blatant disregard for calls by international partners such as the Organisation for Security and Co-operation in Europe and others to improve civil liberties in Belarus, does my right hon. Friend not think it time for the UK Government to take an international lead and call for further sanctions against the regime?

Mr Lidington: I think that we should use every means possible to persuade the regime in Minsk to cease its persistent and systematic abuse of human rights. It is important to try to do that in a way that does not make even more wretched the lives of the ordinary people of Belarus. We are among those in the European Union who are pushing for a rigorous further examination of sanctions that might be levied to achieve the outcome that both my hon. Friend and I want.

Topical Questions

T1. [66880] **Harriett Baldwin** (West Worcestershire) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Yesterday I attended the EU Foreign Affairs Council in Brussels, which reached strong conclusions on Libya, Syria, climate change, Afghanistan and Pakistan. No conclusions were reached on a common security and defence policy. I made it clear that we could not agree to the creation of an EU permanent operational headquarters.

Harriett Baldwin: I was delighted to hear that the Foreign Secretary had vetoed the creation of a European command and control HQ. What's next?

Mr Hague: What is important, as I stressed to my colleagues in Brussels, is to improve the capabilities in defence around Europe and the will to use them, and that there are no institutional barriers in Europe to European nations making a greater contribution to, for instance, what we are doing in Libya or stabilisation in the Balkans. It is capacity and the will to use it that are lacking, rather than the creation of new European institutions that would be costly and distracting.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): We welcome the independence of South Sudan, to which the Foreign Secretary referred earlier. However, there is concern in all parts of the House about recent developments in the Nuba region of Sudan, including the use of aerial bombardment by the regime in Khartoum, which is somewhat reminiscent of events in Darfur in previous years. What pressure are the Government and the European Union putting on the regime in Khartoum to cease those attacks?

Mr Hague: The hon. Gentleman is quite right to raise that issue. I attended the independence celebrations in South Sudan on 9 July, which was an inspiring occasion, but it took place in the shadow of continuing violence and the continuing lack of agreement on citizenship, oil and border issues. It is vital that the international community places the maximum possible pressure—and we will certainly continue to do so—stressing to the Republic of Sudan that what it wants to see on debt relief and working with western nations will depend on a peaceful and co-operative approach to the remaining issues in Sudan. We will continue to stress that very strongly.

T2. [66881] **Stephen Mosley** (City of Chester) (Con): One of the remaining issues in South Sudan is that of Abyei. Will my right hon. Friend give us an update on what action is being taken to ensure that the promised referendum in Abyei goes ahead successfully?

Mr Hague: The urgent thing has been to bring peace and order to Abyei, and that is something that I have discussed with those in the north and south in Sudan, as well as with the Ethiopian Prime Minister and Foreign Minister on my visit to Ethiopia 10 days or so ago. Up to 4,200 Ethiopian troops will go to Abyei, and we have been active in quickly passing the necessary United Nations authority for them to do so. That is designed to pave the way for political progress in Abyei, but the most urgent thing has been to get that Ethiopian force there and to prevent continuing violence.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Palestinian Authority, working with Tony Blair and the Quartet, has made major progress on developing the economy and governance on the west bank. Does the Foreign Secretary agree that it is urgent that negotiations take place so that there can be Israel and Palestine next to it, rather than a unilateral declaration that will not bring security for either Israel or a Palestinian state?

Mr Hague: It is certainly urgent that those negotiations take place and, as I stressed a few minutes ago, the current discussions in the Quartet are aimed at bringing that about. While reserving our position on recognition, as I also explained earlier, it is certainly my view that a truly viable Palestinian state, able to conduct its own affairs and in control of its own territory, requires successful negotiation with Israel and will come about only by agreement.

T4. [66883] **Nick de Bois** (Enfield North) (Con): Nearly 2,000 people remain missing in Cyprus as a result of the conflicts in 1963 and 1974. This affects Greek and Turkish Cypriots across the island. The Committee on Missing Persons in Cyprus has made progress, but does the Minister agree that an increased commitment and speedier resolution of this tragic issue would constitute a significant confidence-builder towards a final settlement for the island?

The Minister for Europe (Mr David Lidington): I completely agree with my hon. Friend. I visited the headquarters of the Committee on Missing Persons and its laboratory while I was in Cyprus a few weeks ago, and I was impressed by the work that it is doing to discover the fate of those missing people, both Greek Cypriot and Turkish Cypriot. That is morally right, because it helps the affected families to come to terms with what has happened to their loved ones, but, as my hon. Friend has said, it is also a good measure for building confidence between two communities that, sadly, have become separated by the events of recent decades.

Mr Speaker: I call Lisa Nandy. Not here.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): On the morning of 13 August 1961, the people of Berlin woke up to find a wall being built across their city. That wall remained in place for some 30 years before it came down and allowed the unification not only of Germany but of the east and west. Will the Foreign Secretary, together with the Secretary of State for Defence, use that anniversary as an opportunity to remind Europe that that would not have been achieved without the help of the Americans, and to remind the Americans that Europe remains important to them?

Mr Hague: Yes, absolutely. I completely agree with the hon. Lady. Indeed, her question should prompt us never to forget these things. The transatlantic alliance remains the absolute cornerstone of our security, as does NATO, and that will remain the case in the years ahead.

T5. [66885] **Mr Peter Bone** (Wellingborough) (Con): The French Defence Minister has said that the military action against Colonel Gaddafi's regime is not working. He has also said that Colonel Gaddafi should be welcomed into negotiations with pro-freedom rebels. Does the Foreign Secretary agree with our French ally?

Mr Hague: Well, I agree with my own French counterpart, and with the Prime Minister and the President of France, on the way in which they have put this. I think that the French Defence Minister has said one or two things that differ from that. My own colleague, Alain Juppé, is absolutely clear on this. He was with me at the Libya contact group meeting in Istanbul on Friday, and at our Brussels meeting yesterday. France and the United Kingdom take exactly the same position: Colonel Gaddafi has lost legitimacy, and negotiations certainly exclude the possibility of his remaining in power. The United States has made that position very forcefully to the Libyan regime as well in recent days, and that is our united position.

T8. [66889] **Mrs Anne McGuire** (Stirling) (Lab): The Secretary of State will be aware that the UK ambassador to Israel, Matthew Gould, said that if there is "a UN resolution" about

"a Palestinian state, and nothing changes on the ground, this will create a dangerous situation."

Given the Foreign Secretary's ambition to have peace negotiations started as soon as possible, can he give us an insight into why, when the Quartet met on 11 July, it failed to agree a statement on President Obama's framework for peace negotiations?

Mr Hague: The answer is that discussions continue within the Quartet. There was a difference of view between the United States on the one side and the European Union, the United Nations and Russia on the other about the details of a Quartet statement. I hope that those differences can be resolved. We welcome the fact that the United States has said, as we urged them, that a settlement should be based on 1967 borders. That has been a big step forward, but there are continuing disagreements over the definition of a Jewish state and over the precise way in which to phrase a commitment to 1967 borders, so we are working to overcome those differences. That is the current situation.

T7. [66888] **Jason McCartney** (Colne Valley) (Con): Does my right hon. Friend think there should be a UN-led inquiry into human rights abuses in Bahrain, bearing in mind reports of the arrest and mistreatment of doctors from the Salmaniya medical centre in Manama?

Mr Hague: We take very seriously the human rights situation in Bahrain, but welcome the fact that the King of Bahrain has announced an independent investigation into human rights concerns and abuses. It is an investigation that carries some credibility; in fact, it is headed up by one of the members of my own human rights advisory group. I expect it will give a robust report up to international standards. We should welcome that, but we continue to urge the Government of Bahrain in the meantime, as I have done, to ensure that due process is followed and that human rights are satisfactorily looked after in Bahrain, because it has done the country no favours to give the opposite impression.

Angela Smith (Penistone and Stocksbridge) (Lab): It is 20 years to the month since little Ben Needham went missing on the island of Kos. His mother, Kerry, is my constituent. It appears that new evidence may have come to light, and Kerry believes that any investigation or review of her case would be helped by securing political commitments to her cause at the top level of Government, such as we have seen in the case of Madeleine McCann. Will the Foreign Secretary agree to meet Kerry and me to discuss the case of missing Ben?

Mr Lidington: The hon. Lady will appreciate that I would not want to comment in detail on the case across the Floor of the House, but I would happily make time to see her and her constituents to discuss it further.

Several hon. Members *rose—*

Mr Speaker: Order. We need very brief questions and answers.

Charlie Elphicke (Dover) (Con): Will Ministers say what reports they have received on the economic situation in Greece, on whether there has been any intelligence on the likelihood of a default and on the likelihood of Greece remaining in the euro?

Mr Lidington: We receive many reports on Greece—including, of course, on the very grave economic situation there. The economic health of the eurozone, including that of Greece, is important in assuring jobs and prosperity in this country. It is important both that the Greek Government deal with the structural reforms and the changes to bear down on their own deficit and that the eurozone more widely addresses the causes of instability. We hope that they do so at their meeting planned for this week.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Hadeel fair trade shop in my constituency has for some years imported from small producers in the west bank and Gaza products of various types that support the very type of economic development that was supported earlier. It has recently had great difficulty in importing material and in sending money back to the producers. If I write to the Secretary of State with more details, will he look into this issue and try to resolve this blockage of what is a sensible fair trade measure?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): Yes, I would be very pleased to receive a letter from the hon. Gentleman. Ensuring that the economy of both the west bank and Gaza continues to improve is of vital importance for security in the region, as well as for the development of both Israel and Palestine.

Joseph Johnson (Orpington) (Con): Nitin Gadkari, president of the Bharatiya Janata party—India's main opposition party—was in Parliament yesterday singing the praises of Narendra Modi, Chief Minister of Gujarat. What is the United Kingdom's stance? Would Narendra Modi be a welcome visitor to the UK in the light of the massacres in Godhra 10 years ago?

Mr Hague: I shall be meeting the president of the BJP later today. No doubt we shall have an opportunity to discuss the issue then, and I think that we will determine our answer to my hon. Friend's question after those discussions.

Mr Nigel Dodds (Belfast North) (DUP): Will the Secretary of State give us an update on the situation in Kosovo, particularly in relation to moves towards proper and full democracy and the stamping out of corruption at Government level?

Mr Lidington: A Government have been formed in Kosovo, after initial difficulties, but there is certainly much more to be done to deal with the problems of corruption and organised crime. We therefore fully support the work that is being done by EULEX, the European rule of law mission in Kosovo. We also take every opportunity to urge Ministers in Kosovo to take the lead in making dealing with those problems a priority.

Sir Menzies Campbell (North East Fife) (LD): I assure my right hon. Friend the Foreign Secretary that Liberal rebels are not yet taking delivery of any weapons, although the notion of campaigning with a Kalashnikov in the one hand and the alternative vote in the other does have its attractions.

May I return my right hon. Friend to the issue of Palestinian recognition? Given that there is every indication that there will be recognition of a Palestinian state, what assessment has he made of the impact on the influence of the United Kingdom in the region if that recognition takes place without our endorsement?

Mr Hague: Campaigning on the alternative vote might be more successful with a Kalashnikov. *[Laughter.]* I think we are allowed to have a little tease within the coalition.

Of course recognition of a Palestinian state is one of the factors that must be weighed up. As I explained earlier, we will reserve our position on recognition, along with all our EU partners, and I therefore do not want to become involved in speculation about hypothetical scenarios either way. However, we will certainly weigh the implications for us—as well as all our European partners and the United States—of our relations with other states in the region. That is one of the factors that we will consider.

Ian Austin (Dudley North) (Lab): The development of nuclear weapons by Iran would not just trigger a middle eastern arms race, but would make it much more difficult to prevent Ahmadinejad from arming terrorists in the region. He is persisting with the illegal enrichment of uranium and continuing to call for Israel's destruction, and has recently unveiled new missiles capable of reaching Israel. What more can the United Kingdom Government do to prevent Iran from acquiring those weapons?

Alistair Burt: The hon. Gentleman is right about the concerns that the world shares about the development of Iran's nuclear programme, on the subject of which it is being deliberately opaque. New sanctions were introduced only two weeks ago in relation to targeted individuals. The pressure of sanctions will continue from the world, and the determination of the world to see the nuclear programme opened to inspection by the International Atomic Energy Agency, which has already expressed its concern, will continue until such time as Iran turns away from what appears to be a very dangerous course.

Mr Speaker: Last but not least, I call Jeremy Lefroy.

Jeremy Lefroy (Stafford) (Con): Some of the fastest-growing economies in the world are in sub-Saharan Africa. What steps is the Foreign and Commonwealth Office taking to help our exporters and investors in those countries?

Mr Hague: Many steps, I am glad to say. We are making many more ministerial visits to the region. My right hon. Friend the Prime Minister has just been to South Africa with a trade delegation, I have just visited Kenya, and the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North West Norfolk (Mr Bellingham), is in Africa at the moment. There is great ministerial engagement. We are enlarging many of our diplomatic missions, we are opening new embassies—including some in Africa—and we have the strongest commitment to developing trade links with Africa that this country has seen for decades.

Point of Order

12.34 pm

Hilary Benn (Leeds Central) (Lab): On a point of order, Mr Speaker. Thank you for taking this point of order, which, for reasons that will readily become apparent, is time critical. Last night, a Member on the Government Benches objected to my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) being put on to the Select Committee on Culture, Media and Sport. This was done in the knowledge that it would prevent her from being able to attend today's very important Committee meeting, at which Rebekah Brooks, James Murdoch and Rupert Murdoch are giving evidence. There is, however, a motion on the Order Paper, tabled by the Committee of Selection, that will allow the House to vote to put this right, but it will not be debated until later. Is there anything you can do, Mr Speaker, to enable it to be taken now, or earlier, so that my hon. Friend can take her place alongside the other members of the Committee when they meet at 2.30 this afternoon?

Mr Speaker: As the right hon. Gentleman has acknowledged, this is an unconventional time for points of order, but as his inquiry is time critical I have exercised my discretion, as I did yesterday, to take the point of order. The answer is that, for the protection of all parts of the House, the Order Paper is settled at the end of the previous sitting. The Back-Bench business takes precedence, and the motion to which he refers is one that cannot be made without notice. I am sorry to disappoint the right hon. Gentleman.

Sir Menzies Campbell (North East Fife) (LD) *rose—*

Mr Speaker: I shall exercise my discretion in favour of the very long-serving right hon. and learned Member.

Sir Menzies Campbell: Further to that point of order, Mr Speaker. Those of us who were in the Chamber towards the end of yesterday evening's sitting, over which, if I recall correctly, you presided for a substantial part of the time, must surely recognise that it was not Parliament's finest hour—although it may have been the latest hour—because there was obstruction that has been met by a response. Surely this matter ought to be referred to the Procedure Committee to see if steps can be taken to prevent this kind of activity in the future?

Mr Speaker: I note what the right hon. and learned Gentleman says, but I will not comment on that today. Suffice it to say that he has reminded the House of his interest in, and skill at, conciliation—a role to which many will feel he is well suited. We shall leave it there for today.

School Funding Reform

12.37 pm

The Secretary of State for Education (Michael Gove): With your permission, Mr Speaker, I should like to make a statement on our plans to reform school funding. As Members across the House will know, the current systems for funding schools—both their revenue and capital needs—are too complex and lack transparency, which is why I want to make the way we fund all schools fairer, simpler and more efficient.

I want to turn first to capital spending. Capital investment is crucial to education reform, but at a time of economic difficulty we need to ensure we are getting the maximum value for every penny we spend, and we must ensure that tight resources are targeted on those most in need.

In order to ensure that we could target money on those areas in absolutely greatest need, last year I had to take the difficult decision to stop a number of school rebuildings planned under the Building Schools for the Future programme. In areas where planning was most advanced, more than 600 projects will go ahead, but other projects were stopped. I recognise the deep disappointment that was provoked in communities where hopes had been raised, but we had to ensure money was spent efficiently, and the design of the old BSF scheme was not as efficient as it could have been. Specifically, it did not prioritise schools in the worst condition and it did not procure new buildings as cheaply as possible.

In order to ensure that we spent money properly, I asked Sebastian James of Dixons store group to review the entire Department for Education approach to capital funding. His report makes compelling reading and I commend it to the House. He found that the whole capital system was bedevilled by a complex allocation process with multiple funding schemes, a lack of good-quality building condition data, inefficiency in building design, a lack of expertise in improving new buildings, a failure to make procurement as efficient as possible, a lack of clarity on maintenance, and overly complex regulatory and planning requirements. I am grateful to Sebastian James for his exceptionally thorough work, and I wish to accept the majority of his recommendations, subject to a thorough consultation process over coming months.

Specifically, I have accepted the recommendation to conduct a full survey of the school estate. The last Government stopped collecting any data on school condition in 2005, which has made fair distribution of funding much harder. I have also accepted the review's recommendation significantly to revise the school premises regulations, so that a single, clear set of regulations applies to all schools. I intend to consult fully on this in the autumn. In addition, I have accepted the recommendation to move towards greater standardisation of design. One of the aspects of the BSF programme that Mr James criticised was that each school was separately designed, costing unnecessary millions in consultancy fees and often resulting in buildings that were not fit for purpose. Greater standardisation will reduce costs, improve quality, and limit the opportunity for error.

However, I recognise that in the short term schools around the country are facing real and pressing problems. The most pressing problem is ensuring that every child

[Michael Gove]

has a school place. In some local areas, there are simply not enough school places to meet rising demand. Local authorities have told me that insufficient attention has been given to this issue in the past, which is why I have already doubled the sums available to meet this pressure, announcing £800 million of additional spending given directly to local authorities to meet the demand for school places. Today, thanks to efficiencies and savings that we have identified, including in BSF projects, I can announce an additional £500 million to fund more new school places in the areas of greatest need.

Funds will be allocated this financial year to the local authorities with the greatest demographic pressures so that they can provide enough places, especially at primary schools, in September 2012. Details of those allocations will be provided over the summer and finalised in the autumn. But that is not all. I am also aware that many of our existing school buildings across the country are in desperate need of repair. I am grateful to hon. Members from all parties who have shown me and my colleagues schools in their constituencies that desperately need investment. The energy and skill with which so many colleagues have lobbied underlines how effectively so many hon. Members across the House represent the most needy in their constituencies.

We have already made £1.4 billion available this year to deal with maintenance problems. Overall, we are spending more on school buildings in every year of this Parliament cumulatively than the previous Government spent in every year of their first two Parliaments. But I want to do more, which is why today I am launching a new privately financed school building programme to address the schools in the worst condition, wherever they are in the country. The programme will be open to local authorities and schools that had been due funding via BSF but, critically, it will also be open to those which, despite real problems, had never been promised BSF funding. I believe strongly that those in genuine need should receive the funding they deserve and that no part of the country should be favoured over any other. Individual schools and local authorities will all be able to apply, and I am launching the application process today. The scheme will be rigorously policed to ensure that we do not incur the excessive costs incurred by previous privately financed schemes. The programme should cover between 100 and 300 schools, with the first of these open in September 2014, and is expected to be worth about £2 billion in up-front construction costs.

Some of those local authority areas that had experienced the termination of their BSF projects asked for a judicial review of my Department's decisions. In February, Mr Justice Holman found in favour of the Department on the substantive matters in dispute, but he found against me on procedural grounds and asked me to look again at the decision in six local authorities. He stressed that the decision to restore all, some or none of the projects was a matter for me. Over the past few months, Ministers and officials have listened carefully to the case made by the six local authorities and I am very grateful to them for the timely and constructive way in which they have presented their case. I have today written to those authorities to let them know that I am minded to indemnify them for contractual liabilities resulting from the stage their projects had reached but I am not minded to restore their specific BSF projects. They now have a further opportunity to make representations to me before I take a final decision.

I appreciate that the local authorities and their representatives will be disappointed, but let me also make it clear that this decision, if confirmed after any representations have been made, does not mean an end to new school buildings in their areas. These local authorities will all be eligible for support from the new programme that I am establishing to cater for population growth in the areas most in need and the new programme to cover the worst dilapidation. That is central to my reasoning on why I am minded not to restore their specific projects. I want to ensure absolute fairness in the distribution of the resources at my disposal. Because the previous Government chose to not to collect data on the condition of school buildings after 2005, I do not have the facts to judge how the needs of these schools compare with the needs of other schools around the country. The fairest thing that I believe I can do is to help to meet the costs which might arise from the stage these projects had reached and then to invite the affected schools to apply to the new school rebuilding programme and be assessed on an equal footing with everyone else, on the basis of need. Of course, should any of those local authorities have severe population pressures, they are likely to receive a portion of the £500 million fund that I have announced today.

I would now like to turn to schools revenue funding. The current system is of course extremely complex, opaque and often unfair. Most colleagues will have lived with the inconsistencies for years now, as similar schools in different parts of the country received widely differing and inequitable levels of funding, and the problem with the system we inherited was recently underlined by concerns expressed over academies funding. Under the system set up by the previous Government, academies received money in lieu of services that would previously have been provided by their local authority, but local authorities continued to receive the same funding as they would if they were still providing those services. That meant that local authorities were, relatively speaking, overfunded for duties they no longer discharged, so at the spending review we announced that from now on we would deduct money from local authorities to take account of the fact they no longer provided services to academies.

The huge success of the academies programme, with 803 open and more than 800 more in the pipeline, has meant that we need to reconsider the issue, and a number of local authorities have asked us to reconsider the amount of money deducted, so today I am publishing a consultation document for local authorities explaining the basis on which it is intended that the money will be deducted this year and next.

This area, however, is only one of those in which the funding system that we inherited is failing to meet the needs of the 21st century. Much wider reform is needed, so today we are also publishing a consultation proposing a fair and comprehensive reform of the way in which schools revenue funding is calculated overall. At present, similar schools in different areas can receive very different amounts of funding for their pupils. That is not fair on head teachers, teachers or pupils. That is why I am proposing a new, fairer national funding formula, with appropriate room for local discretion, in order to have a simpler, fairer and transparent system.

The problems with the current system run very deep, and we will not be able to solve them overnight. We want to consult and take everyone's views so that we know how much change schools can cope with. We will not introduce change until we are confident in the new approach, and certainly not before 2013, and we will ensure that there are substantial transitional arrangements, but we are determined to start moving as soon as we can towards a system which ensures that all children are given the right level of funding to meet their needs. If that is taken together with our investment in 100 new teaching schools, announced last week, our investment of an additional £300 million in the early years, and an extra £2.5 billion in the pupil premium, I believe we can now begin to ensure that our schools are funded in a way that is modern, fair and just.

Andy Burnham (Leigh) (Lab): I thank the Secretary of State for his statement and wish him the best of British in securing media coverage for it.

Let me begin on the subject of revenue. Across the House, we share a responsibility to ensure that the £35 billion budget for schools in England is spent as fairly as possible, giving every young person the best start in life, and I can assure the Secretary of State that we will work constructively with him to achieve that. The current system is not perfect, and the principles he has set out are a good basis on which to build, but the devil really is in the detail, and changes need to be considered very carefully.

With that in mind, may I welcome the Secretary of State's conversion to the merits of consultation before imposing change that affects the lives of young people? Three times he has failed to consult and then been forced to change course under the threat of legal action: on Building Schools for the Future, on the education maintenance allowance, and on academy funding. Today, we have some grounds for hope that he has learned his lesson, with one major caveat. Is it not odd timing, to say the least, to start a 12-week consultation just as schools and colleges start the long break? Will the practical effect of that not be that it is a rushed six-week consultation that will coincide with the start of term, when people's minds are elsewhere? Given that his announcement has far-reaching implications for every school in the land, and given that these changes are planned to come in only from September 2013, will the Secretary of State agree to a 12-week period of consultation from the start of the school year?

On a national funding formula for schools, the Secretary of State will know that that has been considered in the past and there is considerable scepticism about the ability to deliver it fairly. Does he accept that a rigid national funding formula could bring lots of winners and losers and remove local government's ability to ensure fairness across an area? Will he commit to retaining as much flexibility as possible and will he ensure that any changes are carefully managed so that we do not see wild swings in school budgets?

As I have said, the changes will take effect from 2013-14, but we know that the Secretary of State was recently forced to agree to an interim review of academy funding. Will he update the House today on the progress of that review and how it will link to the consultation he has announced? Equally, can he assure the House that this review of funding will take account of responses to the special educational needs Green Paper, as parents of children with SEN will have concerns that giving more direct funding to schools will give them fewer guarantees over the funding available for their children?

The Secretary of State was silent today about 16-to-19 funding, which is perhaps not surprising, as it is the subject of a devastating report today from the Education Committee. Is it not the case that changes to post-16 funding, and reductions in funding to school sixth forms, could see some forced to close their doors? He has promised a review of post-16 funding. Would it not make sense to conduct this review concurrently with the consultation that he announced today?

The Secretary of State mentioned progress on academies. It is clear that we are moving at pace to a very different school system. An all-academy world where schools are directly contracted to London under a national funding formula will feel very different from the world we have known. It also raises the question of what happened to localism. Can he tell us what, if any, ongoing role he sees for local authorities in education? His consultation talks ominously about "chains of academies". Can he tell us today how big he expects these chains to become, and whether he will place any limits on their expansion?

On capital, we will look carefully at the announcements that the right hon. Gentleman made today. Let me set out the context. At the spending review, the schools capital budget was left in tatters. His own officials briefed the *Financial Times* that the Secretary of State had folded too early in negotiations with the Treasury—possibly the understatement of the year. From that much-reduced budget he is funding his pet projects and giving them priority. There will be deep disappointment in the six local authorities that were forced to take legal action because he failed to consult them first. He says he has listened carefully to them. He made a promise to visit Sandwell, for instance, which I believe he has never carried out, so how can they have any confidence that he has properly looked at the condition of schools in Sandwell, and that this is not just a hollow exercise that has been ordered by a High Court judge?

The Secretary of State said today that he would meet the costs—that he would indemnify the six local authorities concerned. How much will he now have to pay to those schools? Is that not money that could otherwise have been properly spent on schools and children? It is a waste of public money in the current climate. How much money has he spent on legal costs since he became Secretary of State? He has never been out of the dock since taking on that job. We need to know how much money he has wasted.

In my constituency, the Secretary of State is funding free schools, having terminated the Building Schools for the Future programme. That has led to concerns that existing schools are trapped in crumbling buildings while the Secretary of State is funding one of his pet projects. It raises the question whether he can live up to the fairness and transparency about which he spoke today. Can he explain to the House how it is fair to fund the creation of surplus school places in cities such as Bristol, when he is failing to fund basic need in primary schools up and down the country? Is that not ideological rather than fair? With a much reduced budget, should he not be prioritising basic need? And can he tell us what is transparent about a free school programme where cheques are handed out around the country, but parliamentary questions from Members on all sides about the costs of that programme go unanswered?

[Andy Burnham]

The statement comes on a day when the Conservative-chaired Education Committee has delivered a devastating end-of-term report on the Secretary of State's conduct. The education world has learned through bitter experience to be extremely wary of his announcements on funding. As ever, we will be watching closely to see whether the reality matches his rhetoric.

Michael Gove: I thank the right hon. Gentleman for the broadly constructive tone of his response. He asked a series of detailed questions, which I shall do my best to reply to in the time available.

On the timing of the consultation, plans to move towards a national funding formula were outlined in the education White Paper, "The Importance of Teaching", which was published last autumn. There has been extensive engagement on the ground with local authorities and school leaders, not least through the task and finish group of the ministerial advisory group on local government finance. This consultation is a step towards ensuring that we can move in the right direction, but judging by the response that we have today, I know that there are many people who are impatient for us to proceed. We will make sure that in the consultation there is, as the right hon. Gentleman requests, appropriate room for local authorities to stress the importance of flexibility.

In the consultation documents, which are available in the Vote Office now for all Members, we emphasise that there are a range of options, and it is clear that we want to ensure that there is appropriate local flexibility—not just room for local authorities to allocate resources to those schools most in need, but greater transparency, for example, over the operation of schools forums. I hope the right hon. Gentleman and his colleagues will engage constructively in making sure that those decisions on the ground can properly balance school autonomy with local accountability.

The right hon. Gentleman asked about the interim review on academies and LACSEG—the local authority central spend equivalent grant. We are specifically consulting today in a way which can ensure that local authorities are funded fairly, and that we do not have the double funding that has arisen under the complex funding system that we inherited. As a result of that consultation, I hope we can provide a reassurance to all students in all schools.

The right hon. Gentleman asked about special educational needs. In the consultation overall on schools funding, we make it clear that high needs pupils are a specific priority. There will be a block of funding in the overall dedicated schools grant which is for them and which will be disbursed at local authority level. The central role of the local authority in protecting vulnerable pupils will be protected, and I am sure he will want to work with us in ensuring that that is successfully implemented.

On 16-to-19 funding, it is critical that we ensure that we align any reforms with the Wolf review, which the right hon. Gentleman so warmly welcomed just a few months ago. Wolf argued that we need to ensure that when we reform the funding of 16-to-19 education, we do not recreate the perverse incentives in the old system of 16-to-19 funding, so we aim to align that reform with the broader reforms to improve vocational education.

The right hon. Gentleman asked about progress on academies. Like him, I am delighted that so many schools have now become academies. He asked about the sustainable level of growth of chains. I believe that chains such as the Harris group, Ark or the United Learning Trust are doing an amazing job on the ground, working with local authorities and turning round schools in the worst condition. As far as I am concerned, they should grow at the fastest sustainable rate. That is why we are making the reforms that we can. Our aim always is to help those children most in need, and those academy chains have helped those children most in need.

On negotiations at the spending review, I am proud of the fact that at the spending review we were able to secure the best revenue settlement for any domestic Department, apart from the Department of Health. I am proud of the fact that as well as guaranteeing fat cash payments for all schools for the rest of the spending review period, we secured additional money for the early years and for the pupil premium. I am particularly proud that we have since then ensured that on our capital budget, we have driven forward efficiency. The James review and the associated steps that we have taken have meant that we have liberated an extra £500 million for basic need.

The right hon. Gentleman asked if I would listen carefully to representatives from Sandwell and other local authorities. I shall. I appreciate the particular concerns in every local authority, but the vital thing is that we need to be fair to all local authorities. There are local authorities represented across the House that were not in the BSF scheme and have not had their case heard, and we need to ensure that they receive the funding that they deserve.

Finally, the right hon. Gentleman asked me about basic need and the importance of prioritising it. We are spending 62.5% more on basic need than the previous Government. They were specifically warned in February 2010 that local authorities were saying that basic need funding was far from adequate, and they were invited to undertake an urgent nationwide review. No action was taken. The lead member for children's services in the London borough of Newham, the Labour councillor Quintin Peppiatt, said:

> "We gave warning for the last five years through various deputations that this was a real problem, and I have to say it was not taken with the seriousness that it should have been. At last, serious action is being taken and not a moment too soon."

Several hon. Members *rose—*

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye, but I remind the House that there is another statement to follow and a series of very heavily subscribed debates to take place under the auspices of the Backbench Business Committee, as a consequence of which there is a premium on brevity from Back and Front Bench alike.

Mr Graham Stuart (Beverley and Holderness) (Con): I welcome the statement from the Secretary of State. Too many areas, particularly rural areas, have suffered from grossly inequitable funding for too long. I welcome what the Secretary of State said because rural areas have additional costs, which are not met by current

funding. Can he assure the House that we will not falter in moving to fairer funding and we will put real need ahead of political convenience in bringing forward a national funding formula in due course?

Michael Gove: My hon. Friend is absolutely correct.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I say to the Secretary of State that "modern, fair and just" is a description that we all aspire to for educational funding, but is he not missing off his list—and adding—the danger, "highly centralised"? For many of us who believe in a good education system in our country, there is a real fear when the Department takes so much responsibility into the centre. Also, will he stop members of his party from criticising, in a very unfair way, Tim Byles, who is a fine public servant and did a very good job with Building Schools for the Future? It does no one any good to revile fine public servants of his character.

Michael Gove: The hon. Gentleman makes two very fair points. On the first, we want to strike the right balance between local accountability through local authorities and school autonomy. The consultation seeks to do that, and I will welcome his response to it. On the second point, let me place on record here, as I did in my letter thanking Tim Byles for all his public service, that I am immensely grateful to him for his work. I have criticisms of the way in which BSF was run, but those are not criticisms of Mr Byles or of any of his team; they are merely a reflection of the difference of opinion between myself and the previous Government on how capital spending should be prioritised. Let me underline that Mr Byles is an exemplary public servant, and I hope that we can continue to work with him in future in whichever role he pursues.

Andrew Bingham (High Peak) (Con): Glossopdale community college in my constituency was not due any imminent BSF funding despite being in desperate need of renovation, or even rebuilding. Will my right hon. Friend reassure me that schools that genuinely need renovation or rebuilding will be given priority in the new capital programme?

Michael Gove: That is absolutely correct. What I want to do is make sure that the schools in greatest need receive the funding. Resources are limited and it will be difficult to prioritise, but we must be fair.

Stella Creasy (Walthamstow) (Lab/Co-op): On Thursday I will meet school governors from Walthamstow. The Secretary of State has just, again, cruelly dashed their hopes that our fears about the lack of school places and the condition of our schools in Walthamstow will be acknowledged. Will he join me at the meeting on Thursday and explain for himself why he will give Waltham Forest the money for its legal fees but not the money to fix the leaky roofs and the asbestos problem that we have in our schools, or for the school places that we so desperately need?

Michael Gove: That was a passionate case well made, but I have to emphasise that I need to be fair to all local authorities. That means that we will look at the condition of schools in all local authorities, and the evidence will be sifted objectively. I am aware that Walthamstow, like many London boroughs and many areas in the south-east, is facing particular pressure on primary school places. Because Building Schools for the Future was primarily about secondary school places, we need to ensure that the absolute need for every child to secure a school place is at the front of everything we do.

Dan Rogerson (North Cornwall) (LD): I welcome the Secretary of State's statement. This long overdue review of the funding formula will ensure that there is a much fairer system across the country, and will involve looking at the possible double funding of local authorities and any potential overpayment that academies have had over and above LACSEG—the local authority central spend equivalent grant. That is due to replace the services that local authorities provide. On capital, will he ensure that there is a constant review to see whether there is any underspend from any other programmes in the Department or other money that could be channelled elsewhere? Will he also ensure that schools that need renovation or rebuilding will be prioritised?

Michael Gove: We will absolutely seek to ensure that academies are fairly funded and that they are neither penalised nor overfunded. The hon. Gentleman is quite right to emphasise that in some cases we need to look again to ensure that there is absolute propriety. On the broader question, we will continually seek to bear down on inefficiencies, and money that we liberate will go to those most in need.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): Five schools in my constituency lost out with the cancellation of BSF, including St John Bosco and Holly Lodge. Those schools will have their hopes raised by the Secretary of State's announcement of the new private capital fund. Can he tell us how quickly decisions will be made on the allocation of that fund? Will deprivation be a criterion according to which it is decided which schools will get money, and will there be scope for match funding by local authorities?

Michael Gove: I hope to take decisions this autumn. I would not wish precipitately to raise hopes in any part of the country, but we will seek to work constructively. Deprivation obviously figures in revenue funding, but in capital funding the question I have to ask is: which schools are in the gravest danger? We need the information now to ensure that every child is in a safe school place, whichever part of the country they are in. Obviously, if a council such as Liverpool is prepared to work constructively, we will work constructively with it.

Jane Ellison (Battersea) (Con): I warmly welcome the statement, which I know will be read with great interest by, in particular, the governors and head teacher of St John Bosco college in my constituency. My local authority despaired of the—often—30 months of bureaucracy that preceded any BSF project getting to the construction phase. Will the Secretary of State assure me that the new capital programme will be a big improvement on that?

Michael Gove: We will absolutely ensure that capital gets to those who need it more quickly, as a result of the James review recommendations.

Paul Goggins (Wythenshawe and Sale East) (Lab): I welcome what the Secretary of State said about additional school places from September of next year, but what help can he give to parents and children in the Sale area

[Paul Goggins]

of my constituency—Trafford residents in an area run by the Conservative party—where we have long waiting lists and insufficient primary school places? That is the situation now: what help can he give? Will he also consider what help he can give to schools in the Sale area in the year ahead?

Michael Gove: I am grateful to the right hon. Gentleman for his typically well-made point. One reason why schools are oversubscribed in Trafford is because it has such a superb local education authority and so many brilliant schools. I enjoy working with Trafford because it is such a good local education authority. Wherever there is basic need we will do everything we can to support it.

Oliver Heald (North East Hertfordshire) (Con): Knights Templar school in Baldock in my constituency is an outstanding community school that provides an excellent education for children from all backgrounds. It has recently become an academy, but its buildings are dated and in some cases need rebuilding. Will an academy of that sort be able to apply for the new private funding that my right hon. Friend has described, and what is the application process?

Michael Gove: Yes. All schools—academies, community schools and voluntary-aided schools—and local authorities that are responsible for the maintenance of a number of schools will be able to apply this autumn.

Pat Glass (North West Durham) (Lab): As a member of the Education Committee I was recently invited to a meeting with Lord Baker and Lord Adonis, who told me they had managed to secure £150 million from the Treasury for an experiment in university technology colleges. That £150 million would go a long way towards reinstating the education maintenance allowance, which is the one big thing I have seen in 30 years of working in education that has made a real difference to the participation of poor pupils and to narrowing the attainment gap. The Secretary of State tells us that we cannot afford EMA, which we know works, so how can we find £150 million for an experiment, when we have no idea whether it works or not?

Michael Gove: I am grateful to the hon. Lady for making those points, but we must agree to differ on EMA. I think that the new learner support fund that we are introducing with the discretionary capacity that local colleges and schools will have to support students will effectively meet needs. On university technical colleges, I do not believe that they are an experiment; they are on the ground and working well already. I was pleased to read a speech by the right hon. Member for Leigh (Andy Burnham) only last week in which he reflected on his visit to a university technical college that JCB helped to establish.

Andy Burnham: A Labour academy.

Michael Gove: In that speech, the right hon. Gentleman paid tribute to the success of the Conservative donor, Sir Anthony Bamford, in helping to establish that school. I, too, should like to pay tribute to Sir Anthony Bamford, who is a great man. May I underline the fact that that is a cross-party initiative? Lords Baker and Adonis are heroes and their work deserves to be supported.

James Wharton (Stockton South) (Con): The Secretary of State knows that Ian Ramsey school in my constituency has a particularly dire need for capital investment to secure its future in the buildings that currently exist. If it applies for the new funding that he has announced today, how soon at the earliest might it get a decision and some certainty about its future?

Michael Gove: I had the pleasure of visiting Ian Ramsey school, which is a superb school with great leadership that also enjoys the advocacy of a great constituency Member. Like every other school, it should be able to apply and should know this autumn.

Ann Coffey (Stockport) (Lab): The Secretary of State said in his statement that he would police the new privately financed school building programme to ensure there are not the excessive costs incurred by previous privately financed schemes. Can he give some more detail about how he intends to do that?

Michael Gove: We have benefited from looking at some of the PFI schemes that were inaugurated under the previous Government. The James review drew various appropriate lessons about how we could ensure, through standardised design and more effective procurement, that we can save money right at the beginning of any process. My colleagues in the Treasury have today published a report revealing how it has managed to bear down on costs in existing PFI schemes, never mind new ones. Let me take this opportunity to pay tribute to Ministers in the Treasury, and to the campaigning energy of my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman). Together, they have ensured that we will make sure that PFI works in the interests of the whole public.

Pauline Latham (Mid Derbyshire) (Con): I welcome the Secretary of State's announcement of the fair funding formula, which is something I have been championing for more than 20 years, since local management of schools let the genie out of the bottle, with local authorities publishing school spending. It is not fair that one school gets £4,000, while another gets £8,000, for the education of young children. Can I get an assurance from the Secretary of State that he will look into rural funding and so-called leafy suburbs, and that they will not be left out? They have always been penalised in the past by local authority funding. Will he also look at the funding for Lees Brook school, which takes a lot of pupils from my area, and is falling down? I have sent him the documentary evidence of that.

Michael Gove: A case for fairness well made, which we will seek to meet.

Nic Dakin (Scunthorpe) (Lab): Will the full survey of the school estate include sixth-form colleges, and can they bid for capital support under the new private finance initiative scheme?

Michael Gove: We want to make sure that all schools are capable of bidding under the scheme, and we want to make sure that the gateway into such bidding is fair. I will come back to the hon. Gentleman to make sure that

there are no anomalies that mean that any institution that educates children is excluded for any reason. I shall seek to work with him, given his experience as a distinguished former further education principal.

Nadhim Zahawi (Stratford-on-Avon) (Con): I welcome the Secretary of State's announcement of more basic need funding. I urge him and the Government to focus on Stratford town, where there is a severe shortage of primary school places.

Michael Gove: There are many parts of the country that have serious problems with population growth, including Stratford-on-Avon, not least because it is such an attractive town that has enjoyed effective representation for many years.

Mr John Spellar (Warley) (Lab): I speak as Member of Parliament for one of the six boroughs that took legal action, and I wish to express our deep disappointment at the Secretary of State's announcement, particularly for Perryfields and Bristnall Hall schools. Year after year, much-needed refurbishment and repair has been put on hold by the Department for Education, because those schools were in the BSF programme. They now face inadequate overcrowded buildings and a rising school population. Does the Secretary of State understand how let down they feel, and will he come and meet them so that they can get that view across?

Michael Gove: The right hon. Gentleman is a formidable constituency Member of Parliament. He invited me to make sure that I made this announcement before the House rose for the recess, and I am happy that I could do so. I appreciate that Sandwell, like many other local authorities, will want to make its case fairly, so I want to make sure that it is heard alongside every other local authority in a way that is fair to all.

Annette Brooke (Mid Dorset and North Poole) (LD): The Secretary of State kindly arranged for civil servants to visit Montacute school, an outstanding special school in my constituency. They subsequently wrote a report on its condition and fitness for purpose. When will he release the contents of that report, and can he give the school some indication of when it will hear, and how to apply for funding if it has to do anything more, in the light of his statement?

Michael Gove: That work will help to inform decision making. I will work with the hon. Lady to make sure that she can do the best job possible for that school, and other schools in her constituency that wish to apply.

Bill Esterson (Sefton Central) (Lab): The Secretary of State knows that the outstanding and good schools that are most likely to become academies under his system will probably have less need for support for special needs, behavioural support and advisory services. Does he agree that it follows that the academies that he is creating will be tempted not to buy back support services from local authorities under current arrangements, which will mean big cuts in authorities such as Sefton, where seven schools are becoming academies. Will he review funding arrangements for academies so that support services available within local authorities are—

Mr Speaker: I am grateful to the hon. Gentleman. I think we understand the thrust of his question.

Michael Gove: That is a thoughtful question, but behind it lies an uncomfortable fact for the hon. Gentleman. If the majority of good and outstanding schools are in leafy suburbs or richer areas, that only underlines the way in which Labour failed to advance social mobility in their 13 years in power.

James Morris (Halesowen and Rowley Regis) (Con): The Secretary of State will be aware from representations that I have made to him that, as has also been said by Opposition Members, there is an urgent need to get capital funding into schools in Sandwell. Does he agree that now is the time to draw a line under the BSF programme and find innovative ways of getting capital into Sandwell schools in the most cost-effective way possible?

Michael Gove: I entirely agree, and I pay tribute to my hon. Friend for the effective way in which he has lobbied for a more imaginative and sensitive response to school building in future. He has specifically argued that we should ensure that we safeguard the interests of the schools in the west midlands that are in the greatest need, whether in Sandwell or in adjacent boroughs. I commend him on his statesmanlike and constructive approach.

Julie Hilling (Bolton West) (Lab): At a time of devastating cuts to local authority budgets, will local authorities face yet another in-year cut for which they will not be able to budget? As there is an economy of scale in providing services to schools, will children in non-academy schools suffer because of that deduction from local authority funding?

Michael Gove: Again, that is a thoughtful question. First, our consultation on reform of LACSEG—the local authority central spend equivalent grant—is designed to balance stability with a reflection of the fact that some local authorities no longer discharge such responsibilities, but still receive funding. On the second point made by the hon. Lady, it is only fair to say that in our consultation we point out that some economies of scale that are claimed do not materialise on the ground—but she will have an opportunity to contribute to the consultation, and I look forward to hearing her thoughts.

Mr Robert Buckland (South Swindon) (Con): Will the new capital building programme offer opportunities for special schools such as Crowdys Hill in Swindon, which has ageing buildings and limited space, so that they can benefit while avoiding the pitfalls of previous PFI schemes?

Michael Gove: Absolutely. It is critical that we recognise that some schools that have not received the investment that they need are special schools—or, indeed, schools with a large proportion of students with special educational needs. We will ensure that the scheme takes account of their specific needs.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I would expect Birmingham to be one of the local authorities to benefit from the Secretary of State's announcement of extra funding in areas that require extra places. Given Birmingham's Lib Dem/Tory-controlled administration's ability not to do what Government want them to do,

[Ms Gisela Stuart]

irrespective of which party is in government, will he keep a close eye on it so that it does not waste the money that it did on BSF, and spend a million on architects when it comes to bidding for money for extra places?

Michael Gove: As my noble Friend Lord Adonis has pointed out, education in Birmingham needs many things to change, and I suspect that the hon. Lady and I know just how much change is needed.

Richard Fuller (Bedford) (Con): My right hon. Friend's focus on special schools will be particularly welcome to the Ridgeway, St John's and—oh my goodness. *[Interruption.]* The Grange, Ridgeway and St John's—I am terribly sorry, Mr Speaker, I shall not live that one down. May I ask my right hon. Friend, particularly on the issue of capital allocations to schools that are transitioning to academies, for an assurance that the scheme will not be used by local authorities in any way, shape or form as a brake on the decisions by those schools to become academies?

Michael Gove: That is a very fair point. I have sought in the consultation—and we will seek in the decisions that we make—to be absolutely fair and balanced. It is no secret to anyone in the House that I am a great champion of school autonomy and I am critical of local authorities that have not done their job well. However, local authorities have a vital role to play in future, which is why the huge increase in basic need funding will go directly to local authorities, which are best placed to make those decisions. That balanced approach, encouraging autonomy while respecting local authorities' critical role, is the right way forward.

Charlotte Leslie (Bristol North West) (Con): Does the Secretary of State agree that it is deeply insulting to parents who have wanted a community secondary school for their area for more than 20 years to hear the right hon. Member for Leigh (Andy Burnham) criticise Bristol free school, particularly when many of those parents are frantic about the shortage of primary school places in Bristol? That ticking time bomb should not have been a surprise, given the baby boom four years ago, and the certainty that children grow up.

Michael Gove: My hon. Friend makes a fair point. It is incumbent on all of us to recognise that the provision of schools in Bristol has not been good enough for far too long, although recent changes have brought about real improvement. Some of those changes have been driven by councillors who have shown imagination, but they have also been driven by organisations that have helped to establish new schools and to extend the academies programme. Bristol free school should be seen in that light. It is an effort to drive up attainment in an area that has underperformed for far too long.

Andrew Percy (Brigg and Goole) (Con): There could be no greater evidence of the inequities in the funding system than the situation in the East Riding of Yorkshire and in North Lincolnshire, where per pupil funding is well below the national average. Similarly, many schools are leaking, despite the 13 years in which we were told that there was investment. Having been through the BSF process both as a schoolteacher and as a local councillor, may I have an assurance that there will be an end to all these expensive airy-fairy vision statements and massive consultancy fees, as well as perfectly functional buildings in one local authority area being knocked down only to be replaced with butterfly-shaped schools, while others in more affluent or more rural areas do not receive any money at all for their schools?

Michael Gove: That is a blast of good sense from north of the Humber. My hon. Friend is absolutely right.

Justin Tomlinson (North Swindon) (Con): Will the Minister join me in congratulating Swindon borough council on seeking to design and build a generic modular school at half the cost of a bespoke new design?

Michael Gove: Swindon council does a lot of things right, and that is just one more.

Mr Robin Walker (Worcester) (Con): I warmly welcome the commitment to a new national funding formula—something for which I have been calling since I made my maiden speech. Today the Secretary of State will receive a letter signed by all six Worcestershire Members of Parliament urging him to press ahead with these desperately needed reforms, and to close the appalling £1,100 gap between Worcestershire and the neighbouring authority of Birmingham. May I urge him, as my hon. Friend the Member for Beverley and Holderness (Mr Stuart), the Chair of the Select Committee on Education, did, to press ahead with the reforms and not to listen to the siren voices calling for delay?

Michael Gove: My hon. Friend makes an impressive case for Worcestershire, as do my hon. Friends the Members for West Worcestershire (Harriett Baldwin), for Redditch (Karen Lumley), for Mid Worcestershire (Peter Luff) and for Wyre Forest (Mark Garnier). I am very sympathetic to the case they make.

Duncan Hames (Chippenham) (LD): Wiltshire schooling has long been among the least well funded in England, so I welcome the Education Secretary's review of the fair funding formula for schools. Will he give particular attention to the challenges in rural areas faced by small primary schools—that is, those that we still have left?

Michael Gove: That is a very fair point. In our consultation we are explicitly saying that there should be a fixed sum for all primary schools, to ensure that smaller primary schools remain viable.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Woodlands school in Basildon has just received the excellent news that its much-needed rebuild is to proceed. However, may I ask my right hon. Friend to adopt a slightly more flexible approach so that if schools wish to keep some of their existing better-quality buildings they can do so, to meet local need?

Michael Gove: I absolutely support local flexibility, and I think that Essex county council has shown admirable imagination in the past in doing just that.

Nigel Mills (Amber Valley) (Con): Parents, pupils and teachers alike at the four schools in Swanwick and Alfreton in my constituency that lost their BSF funding will head into the summer in a much more optimistic mood following the announcement that there might be some funding coming their way. Will my right hon. Friend advise them on whether they should think about dusting off the radical BSF plans that were scrapped—or should they perhaps be looking for a simpler and more cost-effective approach to replace buildings that are in desperate need of rebuilding?

Michael Gove: Emphatically the latter.

Mr Philip Hollobone (Kettering) (Con): May I press the case for Northamptonshire, where the number of primary school places is struggling to catch up with population growth that is among the UK's fastest?

Michael Gove: I am very much aware that all of Northamptonshire, east and west, is benefiting from population growth. It is critical that we meet basic need pressures wherever they are. They are most acute in London and the south-east, but there are many parts of the country where the population is growing fast.

Stuart Andrew (Pudsey) (Con): I welcome this announcement. The shortage of primary school places is due in part to the baby boom, as we have heard, and it is staggering that those warnings went ignored for so long. In my constituency this has been compounded by massive residential estates on brownfield sites, leaving my schools to struggle and the situation to get worse. I urge my right hon. Friend to give due consideration to that, and to the schools that are suffering.

Michael Gove: My hon. Friend makes a very good point. Our population has risen for a variety of reasons, and unfortunately the previous Government did not prioritise that in the way they should have done, but I am grateful that the right hon. Member for Leigh is now emphasising that basic need should be our shared first priority.

Penny Mordaunt (Portsmouth North) (Con): I welcome today's statement, especially the announcement on capital funding, and ask the Secretary of State to keep the very patient King Richard school, and other schools in Portsmouth, at the forefront of his mind as the process develops. I ask him to go further on funding reform to ensure that as well as fairness, we have more flexibility in how we spend per pupil funds in the independent sector, if that is the best provision for the child.

Michael Gove: I am in favour of more flexibility overall, but we need to recognise that money spent on state education should stay in state schools. There are many great state schools in Portsmouth, and I was fortunate enough to talk yesterday with the leader of Portsmouth city council, Gerald Vernon-Jackson, and appreciate how hard he is working, along with my hon. Friend, to ensure that Portsmouth gets the support it deserves for its state schools.

Damian Hinds (East Hampshire) (Con): In making the new capital programme more efficient than BSF, will my right hon. Friend confirm that sums of money will not be earmarked and siphoned off for things like the unnecessary IT projects that led to such cost overruns under BSF?

Michael Gove: That is a very distinguished point made by my hon. Friend the Member for East Hampshire (Damian Hinds). One of the problems with BSF is that £210 million was spent by local authorities on consultants, including IT consultants, and some of that money was invested in material that we would not describe as state of the art. It is critical to ensure that we get value for every penny we spend. Information technology is critical to effective learning in the 21st century, but so is ensuring that we get proper value for money.

Richard Graham (Gloucester) (Con): The Education Secretary will know from his recent and very welcome visit to my constituency how grateful parents and teachers will be for his announcement today about changing the schools funding formula, under which pupils in my constituency have for far too long received almost half the spend per pupil received for pupils from areas with similar levels of deprivation in other parts of the country. My right hon. Friend will also know that we have a short-term immediate problem with LACSEG funding. I seek an assurance that his Department's officials will work closely with the local education authority to try to overcome those problems before the start of the new school year.

Michael Gove: I very much enjoyed my visit to Gloucester and Stroud on Friday, and the first thing I did when I arrived at the Department on Monday was to instruct my officials to co-operate with Gloucester city council and the Young People's Learning Agency to ensure that we deal with this issue.

Mr Steve Brine (Winchester) (Con): I warmly welcome the Secretary of State's announcement. Parents in the city of Winchester will have heard his statement loud and clear, despite various other noises going on in the media today. What guidance has his Department issued to local authorities in recent years about the need to keep spare capacity in the primary system?

Michael Gove: That is a typically shrewd point from my hon. Friend. One of the problems we inherited is that under the system that prevailed under the previous Government, guidance was given in 2007 to reduce surplus places, particularly in the primary sector, and we now have a basic need problem. It is good that the Opposition now recognise that we should prioritise meeting basic need.

Matthew Hancock (West Suffolk) (Con): The Secretary of State knows that Mildenhall college of technology in my constituency is one of the most dilapidated schools in the country. The skylights are falling in: it turns out that no one fixed the roof when the sun was shining. Will he give me an assurance that fixing the school will be promoted, and that a date will be set for when we can start to rebuild it, so that children can be educated somewhere they can be proud of?

Michael Gove: This will be a needs-led process. Putting the jargon aside, that basically means that the money will go to the schools in the worst condition. I hope that we will see that building commence in 2014.

Neil Carmichael (Stroud) (Con): I welcome the statement, and I am particularly interested in the private finance side of things, with regard to improved specification systems. Will the Secretary of State consider the need to build in more capacity when looking at the school funding formula, so that schools can plan ahead?

Michael Gove: That is a very good point from another member of the Education Committee. One of the things we want to do is to ensure that good schools can expand. The right hon. Member for Wythenshawe and Sale East (Paul Goggins) made the point earlier that when we have good schools we often find that the original pupil place planning is out of date. We need a system of school buildings that is flexible enough to accommodate parental choice.

Jason McCartney (Colne Valley) (Con): How quickly will many of the oversubscribed primary schools in my constituency, including Lindley junior school, which is going through a consultation on becoming an academy school, find out what share they will receive of the £500 million of additional funding for new school places?

Michael Gove: This autumn, I hope.

Mel Stride (Central Devon) (Con): I very much welcome my right hon. Friend's statement, particularly his commitment to fairer funding for schools. As he will be aware, Devon languished close to the bottom of the funding league table under the previous Government. Will he assure me that he will look very carefully at the possibility of improving the relative funding for schools in Devon?

Michael Gove: I visited almost all the local authorities in the F40 area—very possibly because they contain a number of Conservative-Liberal Democrat marginals. For a variety of reasons, I want to ensure that I am fair to all local authorities, which is why we will prioritise funding on the basis of need.

Bob Blackman (Harrow East) (Con): The London borough of Harrow was at the absolute bottom of the queue for BSF funding, because all the secondary schools are outstanding despite being in very poor buildings. At the same time, there is a basic need case estimated for 16 forms of entry at primary school within the next four years, which is the equivalent of two additional secondary schools. How quickly can we start to see some finance flowing to get the places for the children who need them now?

Michael Gove: I hope that the finance will be flowing in this financial year. That is the intention. I appreciate that Harrow, like a number of local authorities in London, including Tower Hamlets, Barking and Dagenham, has specific problems. We need to look at them all in the round in order to ensure fair funding for all.

Gavin Barwell (Croydon Central) (Con): There is huge pressure on school places in the borough of Croydon, partly as a result of the UK Border Agency's presence there, and we did not get a single penny of funding from Building Schools for the Future, so I very much welcome what the Secretary of State has said. In the absence of the right hon. Member for Croydon North (Malcolm Wicks), may I give a particular plug for the Archbishop Lanfranc school in connection with rebuilding?

Michael Gove: That plug has been registered, and I hope that it will appear in the *South London Press* and other newspapers that circulate in Croydon.

Bob Stewart (Beckenham) (Con): My constituency has one or two of the primary schools that are now in urgent need of repair. How long will it take before the doomsday survey of the fabric of our schools is completed and the funds are therefore available?

Michael Gove: We are prioritising that survey and we hope that it can take place within a year, but that need not mean that schools have to wait. They can make clear their specific needs and we will look at the evidence, judging school against school so that those most in need are prioritised.

Robert Halfon (Harlow) (Con): In contrast to the hon. Member for North West Durham (Pat Glass), my constituents are passionate about a university technical school and we have put in a very strong bid because of all the benefits of vocational education that it may bring. Residents will also welcome the £500 million extra for deprived areas. Will my right hon. Friend set out how that money will be allocated?

Michael Gove: We will seek to allocate that money to the local authority areas where there is the greatest population pressure. I am grateful for my hon. Friend's support for the principle of university technical colleges, which enjoy growing support across the House.

Mr Speaker: Let me take this opportunity to inform the House that after the Front-Bench exchanges had been completed, we had 32 minutes of questions from Back Benchers, and the pithiness of those questions and of the Secretary of State's answers meant that in those 32 minutes we got through 44 inquiries. The Secretary of State has, I think, set a record in this parliamentary term. He has won the trophy; I hope he is pleased.

Bovine TB

1.31 pm

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Today I am publishing the Government's bovine tuberculosis eradication programme for England. The programme sets out a comprehensive and balanced package of measures to tackle TB in cattle, badgers and other animals. Nearly 25,000 cattle were slaughtered in England in 2010 because of bovine TB, which cost the country £90 million in the past year alone. The problem is particularly bad in west and south-west England, where 23% of cattle farms were unable to move stock off their premises at some point in 2010 due to being affected by the disease.

Cattle measures, including routine testing and surveillance, pre-movement testing, movement restrictions and removal and slaughter of infected animals, will remain the foundation of the TB eradication programme. Measures to address bovine TB in cattle remain the cornerstone of efforts to control the disease right across the country, and existing measures will be strengthened. Measures already introduced include a significant expansion of the areas on more frequent routine TB testing and the DNA tagging of cattle to prevent TB reactor fraud.

Planned new measures that I am announcing today include reducing compensation payments for reactor animals from herds where TB tests are significantly overdue and removing some of the exemptions to the requirement to test animals before they move out of herds under annual and two-year routine testing. The Government will work with the farming industry and the veterinary profession to continue to promote good biosecurity and provide advice and support to farmers, as well as investing £20 million over the next five years to develop effective cattle and oral badger vaccines as quickly as possible. The programme also sets out the proposed way forward on controlling the disease in the badger population, including plans to license groups of farmers and landowners to carry out science-led, strictly controlled culls of badgers in the areas worst affected by TB.

This terrible disease is getting worse, and we have to deal with the devastating impact that it has on farmers and rural communities. There is also the effect on the farming economy and taxpayers. Bovine TB will cost us £1 billion over the next decade in England alone if we do not take more action. First, we need to stop the disease spreading even further, and then we need to bring it under control and ultimately eradicate it. We cannot go on like this. Doing nothing is not an option. Many farmers are desperate and feel unable to control the disease in their herds. If someone has repeatedly had to send their cows to be slaughtered, one can understand the desperation that they feel. We know that unless we tackle the disease in badgers we will never be able to eradicate it in cattle. We also know that no country in the world has successfully controlled TB in cattle without addressing its presence in the wildlife population.

Ultimately, we want to be able to vaccinate cattle and badgers, and we are investing in research, but there are serious practical difficulties with the injectable badger vaccine, which is currently the only available option. Badgers have to be trapped and caged in order to dispense it. We are working hard to develop a cattle vaccine and an oral badger vaccine, but a usable and approved cattle vaccine and oral badger vaccine are much further away than we thought, and we cannot say with any certainty if and when they will be ready. We simply cannot afford to keep waiting. We already have a robust set of cattle controls in place, but we need to accept that in some parts of the country they are not enough. Unless we tackle each and every transmission route, including from badgers to cattle, we are likely to see the situation deteriorate further.

There is great strength of feeling on this issue, and that is why I have carefully considered the scientific evidence and the large number of responses to our public consultation. I know that a large section of the public is opposed to culling and that many people are particularly concerned about whether it will actually be effective in reducing TB in cattle and whether it will be humane. I wish that there were some other practical way of dealing with this matter, but we cannot escape the fact that the evidence supports the case for a controlled reduction of the badger population in areas worst affected by bovine TB.

With the problem of TB spreading and no usable vaccine on the horizon, I am strongly minded to allow controlled culling, carried out by groups of farmers and landowners as part of a science-led and carefully managed policy of badger control. Badger control licences would be issued by Natural England under the Protection of Badgers Act 1992 to enable groups of farmers and landowners to reduce badger populations at their own expense. In light of concerns raised in the public consultation, a number of amendments to the proposed policy have been made. Key stakeholders will now be further consulted on the resulting draft guidance to Natural England, which is the licensing authority for the culling activity. The draft guidance to Natural England sets out strict criteria that applicants for a licence to cull badgers would have to meet to ensure that any culling is carried out safely, effectively and humanely. Initially, in the first year, the culling method would be piloted in two areas to confirm the effectiveness and humaneness of controlled shooting. An independent panel of scientific experts will be asked to evaluate the pilots.

Scientists agree that if culling is conducted in line with the strict criteria identified from the randomised badger culling trial, we would expect it to reduce TB in cattle over a 150 sq km area, plus a 2 km surrounding ring, by an average of 16% over nine years. The Government will not attempt to eradicate the disease nationally by culling, and there would be no culling over the whole endemic area at the same time. However, controlled culling can make an important contribution in the worst affected areas. In the event of a decision to permit culling following the consultation, any culling licences granted by Natural England would be subject to strict conditions, based on evidence from the RBCT, designed to ensure that culling results in an overall decrease in the disease in the areas where it takes place.

Applications for licences would be considered only for a cull area of at least 150 sq km, and with culling to be conducted by trained and proficient experts and paid for by groups of farmers and landowners over a minimum of four years. Farmer groups would have to take reasonable measures to identify barriers and buffers such as rivers, coastlines and motorways, or areas where there are no

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cattle or where vaccination of badgers occurs at the edge of culling areas, in order to minimise the effect of perturbation, where disturbing the badger population can cause an increase in TB in cattle in the surrounding area. If culling is ultimately authorised, we will look to the farmers involved to show that they take their responsibility very seriously and that they are committed to delivering culling effectively and humanely.

I can assure the House that I have not reached this decision lightly. I am very aware of the strength of feeling on both sides of the debate. However, having now considered all the evidence and all the views, I believe that this is the right way forward.

Mary Creagh (Wakefield) (Lab): I thank the Secretary of State for advance sight of her statement.

The Opposition know that bovine TB is a major animal health problem. We understand the desperation of farmers affected by this devastating disease. That is why, in government, Labour set up the randomised badger culling trial. It cost £50 million and remains the most extensive scientific study over a 10-year period on the effects of culling badgers, protecting cattle and reducing bovine TB. The report concluded that

"the reductions in cattle TB incidence achieved by repeated badger culling were not sustained in the long term after culling ended and did not offset the financial costs of culling. These results...suggest that badger culling is unlikely to contribute effectively to the control of cattle TB in Britain."

Labour's approach in government was led by that science, and we continue to be led by it. The Secretary of State talks of a badger vaccine. However, when she became Secretary of State, she cancelled five of Labour's six trials a vaccine for badger TB. Why did she not give those vaccine trials a chance to work?

The Government's announcement today is led by short-term political calculation. These pilots will not change the science. The Secretary of State's solution of the free shooting of badgers has never been tested. It is therefore not supported by the science. There is strong evidence that localised culling, which she proposes, significantly increases the TB risk in neighbouring herds, as badgers move out of cull areas and spread the disease, particularly in the first two years. Will she tell the House what steps she is taking to ensure that farmers outside cull areas and non-participating farmers inside cull areas are protected from bovine TB? The scientists who met at DEFRA on 4 April 2011 stated that vaccination, which she proposes, is unlikely to be effective at reducing the risk of infection. Her impact assessment states:

"For farmers in cull areas, monetised costs exceed expected monetised benefits."

So the costs to farmers will exceed the benefits. That is hardly a compelling case to sign up for a DIY cull.

The Secretary of State said the costs of bovine TB will reach £1 billion over the next 10 years. What estimate has she made of the reduction in that £1 billion cost to the taxpayer over the next 10 years with her proposed cull? The taxpayer will still pay for TB testing, monitoring, issuing licences and judging the scientific effectiveness of her cull. Will she tell the House how much the cull will cost the taxpayer? The science shows that there will be, at best, a 16% reduction in TB cases after nine years. Does that mean a reduction in taxpayer costs of about the same amount?

The science also states that culling must be wholesale and sustained. What will the Secretary of State do if the results of the one-year pilot show that the cull has made things worse? How will she deal with farmers who sell up, move on or decide that they no longer want to be part of the cull? Will DEFRA pay for the cull if that happens? Has the Secretary of State seen the letter in *The Times* of Wednesday 13 July from seven members of the original independent scientific group? It states that

"there are no empirical data on the cost or effectiveness (or indeed humaneness or safety) of controlling badgers by shooting, which has been illegal for decades. If the Government decides to proceed with this untested and risky approach, it is vital that it also instigates well-designed monitoring of the consequences."

There is obviously some doubt in the Secretary of State's mind that this is a humane way to proceed. What kind of information will reassure her that killing badgers in this way is humane? How will she monitor and measure the effectiveness of the free shooting pilots? How will she prevent the pilots from becoming an open season on badgers elsewhere in the country? The Badger Trust estimated in 2008 that there were about 300,000 badgers in Britain. What estimate has the Secretary of State made of the number of badgers that will be culled, and of the time frame? The guidance states that the aim is to reduce the number of badgers in control areas by 70%. What measures is she taking to prevent the localised extinction of badgers? What contact has she had with the Bern convention secretariat? Does not the policy she announced today put us at risk of breaching the convention on protecting our wildlife?

The impact assessment estimates that the additional policing costs to deal with protesters against the cull will be £200,000 per year. Devon and Cornwall police are losing 700 officers over the next four years. Which Department will pay for the police required in cull areas—the Home Office, which has had its budget cut by 20%, or DEFRA, which has been cut by 30%? What advice has the Secretary of State had from the Home Office and what public order issues has it identified? Will she publish that advice for the House?

The right hon. Lady promised farmers a science-led approach on bovine TB; today she has turned her back on the science. She promised that she would do something on bovine TB; today she has shown that she will do anything. The right hon. Lady has achieved the almost impossible: with the forests sell-off, her inept handling of wild animals in circuses and now an ill-thought-out badger cull, she has shot herself in the foot not once but three times—a hat trick unmatched by any other Minister.

Mrs Spelman: This is a very serious matter and I do not think it lends itself to political point scoring. I am glad that the hon. Lady has acknowledged that this is a devastating problem. Her Government had the opportunity to do more to address it when they were in office.

The question of the science is an incredibly important and pivotal point. When the previous Government set up the randomised badger culling trial, the initial results showed that within the culled area, there was a significant reduction in TB breakdowns in herds. The perimeter of the area was where the perturbation effect was apparent. The science has continued to be monitored

by Christl Donnelly, who has published and had peer reviewed findings on the long-term effect of the decision to cull badgers as a method of reducing the incidence of TB. In the longer term, the reduction in TB herd breakdowns is sustained within the culled area and the negative perturbation effect falls away 12 to 18 months after the culling ceases. That is the science and those are the facts. The scientists agree on the facts. I encourage the hon. Lady to read Christl Donnelly's most recent publication.

The vaccine deployment trials, to which the hon. Lady referred, were trials not of the vaccine, but of the practical ability to inject badgers with the vaccine and to train people to undertake that. I have seen that with my own eyes. We have the results of those deployment trials and so those resources are no longer required. As I have said, the Government have spent £30 million since 1997 on trying to develop an oral vaccine for badgers and a cattle vaccine, and we are committed to spending £20 million over the next five years to continue the development of the vaccines, which we all want to see.

The hon. Lady described the action rather disparagingly as a DIY cull. I hope that I made it clear that a high level of proficiency will be required of those contracted to undertake the cull. They must have achieved deerstalking level 1 proficiency and must undertake an additional course to cope with the physiology of the badger and to understand the health and safety requirements.

The monetised costs are a matter for the farming industry. It is a fact that it costs a modest amount more to incorporate culling as a method of controlling badgers. However, how are we to estimate the social cost to the industry from the repeated breakdowns of herds and the spread of the disease? That is also an important factor in the decision. We estimate that there will be savings to the taxpayer of £900,000 for each 150 sq km area.

On the question of whether farmers will move out of an area having entered into a consortium during the four year period, the industry has agreed to provide the resources up front for a four-year programme of culling. Therefore, if anyone should leave during that time, the resources will be available to contract operators to ensure that the culling programme is seen through. What we know from the randomised badger culling trial is that it is not good to start and then break off before the exercise is completed. We have ensured that that is covered under section 7 of the Natural Environment and Rural Communities Act 2006. The programme will be closely monitored, as I said, and we will establish an independent panel of experts to look closely at the efficacy and humaneness of it, including through a post mortem of the carcases that accrue from the culling trial, so that we can establish that the animals have been humanely dispatched.

The hon. Lady asked me about the number of badgers likely to be involved. It can only be an estimate, as there is no precise knowledge of the size of the badger population, but before any culling is carried out a detailed survey of the control area and all the setts within it will be required. We estimate that the number of badgers culled will be between 1,000 and 1,500 per 150 sq km area over a four-year period. I invite the House to compare that with the statistics produced by the Highways Agency showing that on average, 50,000 badgers are killed on the roads in this country every year.

Of course, we have been in contact with the Bern convention secretariat on a number of occasions, and there is no question of eradicating the badger population. It is a protected species but not an endangered species in this country, and the most important thing to remember is that unchecked, this disease is spreading further and further north. At the moment we have TB-free badgers and cattle in England, and we want to keep it that way. Our endeavour is to reduce TB infection in cattle and badgers.

I have given the Home Secretary an undertaking that DEFRA will take care of the police costs. I am afraid I cannot share the Home Office advice with the hon. Lady, but I can assure her that I have met the police, who are responsible for public order, on a number of occasions and discussed how they will conduct their role in ensuring that the exercise guarantees public safety, and that those who are contracted to carry out the culling can do so without fear or intimidation.

Miss Anne McIntosh (Thirsk and Malton) (Con): I commend the Department for bringing forward this extremely difficult decision. May I go back to 1972, when I understand badgers were protected for the first time in this country? The badger population grew, but infections in cattle grew incrementally. I hope that the programme will recognise the animal welfare effects on farmers, who lose not just individual cattle but often whole herds. The statement partly redresses that balance.

Who will issue the licences, and what will the conditions of them be? How broad will the areas be, and what consultation will there be on the specifics of them? The report of the Select Committee on Environment, Food and Rural Affairs in the last Parliament made some helpful recommendations, from which I hope my right hon. Friend will take some comfort.

Turning to vaccination in the long term, will the Secretary of State address the real concerns about vaccinating cattle and the prospect of their meat not being able to enter the food chain?

Mrs Spelman: I am publishing today the draft guidance to Natural England, which contains detailed information for my hon. Friend. I expect that her Committee will want to examine the conditions of the licences in some detail, but as I have said, there must be a minimum area of 150 sq km. Natural England will consult locally on each area to be licensed.

Cattle vaccination is a very difficult issue. It is prohibited by EU legislation, and since the United Kingdom and Ireland are the only two member states that currently have TB as an endemic disease, I am sure the House will appreciate how difficult it will be to get the law changed. We first have to establish that we have a viable cattle vaccine and a viable test to distinguish between vaccinated and non-vaccinated cattle.

Angela Smith (Penistone and Stocksbridge) (Lab): This is a sad day for conservation and animal welfare in the UK, especially given that in 2007 the independent scientific group rejected a cull as an effective means of managing bovine TB. How has the science changed since then?

Mrs Spelman: I do not accept that it is a sad day for conservationists, of whom I regard myself as one. I think the hon. Lady will be aware that nature conservationists

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regularly have to cull species in the natural world. That is part of good conservation. As regards the 2007 position on the science, things have moved on. I repeat what I said to the hon. Member for Wakefield (Mary Creagh): in 2011 we have had the publication of the data produced by one of the original scientists, Christl Donnelly, which show that the ongoing beneficial effects of having culled the badgers in the cull area are maintained, and that the perturbation effect moves away. I think the hon. Member for Penistone and Stocksbridge (Angela Smith) will find when she reads that document that, since it has been peer reviewed by other scientists, it meets with strong support in the scientific community.

Tessa Munt (Wells) (LD): The right hon. Lady will be aware that this is a matter of immense importance to my constituency, which is in the south-west. The coalition agreement states:

> "As part of a package of measures, we will introduce a carefully managed and science-led policy of badger control in areas with high and persistent levels of bovine tuberculosis."

Science-led policy would require a thorough and rigorous evaluation of the two pilot projects of which she has spoken before the policy was rolled out to the rest of the areas affected by TB. I imagine that it might take years for the scientists to evaluate them. What form would that evaluation take, and can she give more details of what resources DEFRA will put in place?

Mrs Spelman: I commiserate with the hon. Lady on the fact that her part of the world is so badly affected. That is one reason why we want to undertake the pilots in the worst-affected areas, where they are likely to be disproportionately beneficial. I can assure her that the pilots will be rigorously evaluated by an independent panel of scientific experts, veterinary scientists, academic scientists and practitioners. However, we need to be clear that the pilots are to establish the efficacy and humaneness of this method of reducing the population, and are not about the wider question of the science, which had already been established by the randomised badger culling trial. For that reason, I do not think it is remotely likely to take years. It will be more a matter of weeks or months.

Ian Paisley (North Antrim) (DUP): I congratulate the Minister on fulfilling an election pledge, and indeed a coalition pledge, in her statement today. While other Members are elsewhere, fulfilling a media cull, it is good to see that DEFRA is going to pursue a cull of an animal that has put into our society great poison among our bovine herd. When people talk about the welfare of a wild animal, they never seem to be concerned about the welfare of our bovine herd. I am glad that we are hearing some sensible talk about protecting a multi-million pound industry, as opposed to protecting cuddly things in the countryside.

Will the Secretary of State share the basis of her scientific evidence with the Northern Ireland Executive, and with the Department of Agriculture and Rural Development in Northern Ireland, so that in a part of the United Kingdom where we have suffered from TB in our cattle we can see the scientific information and protect our national herd as well?

Mrs Spelman: The hon. Gentleman makes the very important point that the 25,000 cattle slaughtered just in the past year also deserve our respect for their welfare as animals.

The Minister of State has just mentioned to me that he did share our thinking on this subject with the Northern Ireland Executive in the spring, but given that we are now consulting on two pilots to examine a controlled reduction, it is important that everyone has the opportunity to learn from that science-led, evidence-based approach.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I just say before I bring any more Members in that there is a lot of pressure on time, so short questions and certainly short answers will be very helpful?

Neil Parish (Tiverton and Honiton) (Con): I thank the Secretary of State and the Minister for all their work in looking at all sides of this argument. In 1997, 3,700 cattle were culled because of TB. By 2009, it was 37,000, and the point that Ian Paisley made—

Mr Deputy Speaker: Order. We are not meant to mention Members' names. I am sure that the hon. Gentleman is coming to the end of his question.

Neil Parish: The number of cattle slaughtered in those years has meant huge heartache for farmers, nowhere more so than in the part of Devon that I represent. The Republic of Ireland has had a cull that has reduced by 30% the number of infected cattle, so I very much welcome the Secretary of State's announcement.

Mrs Spelman: I thank my hon. Friend. The figure of 37,000 cattle related to England and Wales and this programme applies to England only, but the most important point is about the spread of this disease. We have published a map to accompany this statement, and I encourage hon. Members on both sides of the House to look at it and see how this disease has spread from the late 1980s to the present day: it speaks for itself.

Paul Flynn (Newport West) (Lab): Is not this big society, badger-slaughter spree a combination of bad science and animal cruelty by the nasty party?

Mrs Spelman: That was an emotive intervention without a critical question. This is a science-led, evidence-based policy for the eradication of TB.

George Eustice (Camborne and Redruth) (Con): The decision by the Secretary of State to grasp this contentious issue will be welcomed by farmers in the west country who have been dismayed by years of dithering by the previous Government. I support the introduction of a vaccine, which we all know is the long-term solution, but can my right hon. Friend confirm that one of the limitations of a vaccine is that it is not a cure, as it can only inoculate healthy badgers against the disease?

Mrs Spelman: My hon. Friend is right to point that out. The life cycle of the badger is approximately four years and therefore vaccination to reduce the rate of infection is a slower method than controlled reduction by controlled shooting.

Thomas Docherty (Dunfermline and West Fife) (Lab): Can the Secretary of State confirm whether those who carry out the cull will have their names published?

Mrs Spelman: The locations will be made public, but the identities of those contracted to undertake the operation will not, for their own safety.

Dan Rogerson (North Cornwall) (LD): In the last Parliament, as a member of the Select Committee, I welcomed the report that we published which, having looked at the evidence, decided that the approach that the Secretary of State has set out would be beneficial. Some members of that Committee went into the inquiry opposed to a cull, but came round to that view having seen the evidence. Does she agree that it would be great if those who have understandable doubts about a cull could come to rural areas, such as Cornwall, and see the devastation on the ground so that they could understand that we need to do something about this issue?

Mrs Spelman: My hon. Friend makes a very good point and I thank him and the Select Committee on which he served, as well as the present Select Committee, for the efforts that they have put into addressing this difficult issue. However, nothing compares to visiting a farm in one of the worst affected areas and learning at first hand about the devastation and heartache that repeatedly having to send cattle to slaughter brings.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): There are some Opposition Members who do not have a romantic view of badgers, but nor do we want to see animals killed unnecessarily. As a former DEFRA Minister, I understand the pressure that Ministers are under to deal with the problem of infection in the cattle herds and among badgers. However, I do not agree with the interpretation of the science.

Will the Secretary of State say a little more about the reducing compensation for farmers, because that will be greeted with concern? This is about making the farming community observe the guidelines that some do not observe. Will she confirm that the evidence that swung her decision in favour of the cull is the latest extended evidence on the randomised badger cull, because that is a new element of science? How will she report culling progress to the House, and how often?

Mrs Spelman: To be clear, I do not have a romanticised notion either. Like anyone who loves nature, I love the badgers too, but we must be clear about the humaneness and efficacy of what we are discussing. As regards new science, the science published since 2007 by Christl Donnelly and peer reviewed is an important factor in the decision. On the compensation, if farmers do not get their cattle regularly tested in a timely fashion, as they are required to do, they will have their compensation reduced. This is a balanced package and people must take responsibility. The farming industry has shown its willingness to do that and I commend this balanced package to the House.

Karen Bradley (Staffordshire Moorlands) (Con): Will the Secretary of State expand on the criteria that will be used for granting a culling licence, and can she confirm that licences will be granted only when the recipient has a clear commitment to acting in a humane and safe way?

Mrs Spelman: I commend to my hon. Friend a good read of the draft guidance that we are issuing to Natural England today, which is worth reading. It is very detailed and there will be a nine-week consultation period. Of course it requires those carrying out the controlled reduction to do so in an effective and humane way.

Albert Owen (Ynys Môn) (Lab): I agree with the Secretary of State that the status quo is not an option, but I am concerned that the vaccination programme will be put on the back burner. She said that she was concerned about Europe: can she assure me that the programme will carry on and be developed as a useful tool to eradicate TB, in Wales as well as England? Is she talking to the chief scientists in the devolved Administrations?

Mrs Spelman: I can give the hon. Gentleman an assurance on that point. Not only are we putting resources behind the ongoing research and development required for an oral badger vaccine and a cattle vaccine, but both the Minister of State and I have been to see the relevant commissioner at the European Commission to discuss how we can accelerate an acceptance at the European level of the need for a change in the law to allow the vaccination of cattle. The £20 million that we have committed to vaccines over the next five years is evidence of how seriously we take that quest.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I warmly commend the Secretary of State for having the bravery to tackle this dreadful disease, which has heaped so much misery on farmers and indeed badgers. She will be aware that under the Labour Government 275,000 cattle were killed, some needlessly, at a cost of £700 million to the taxpayer. We owe it to farmers and wildlife—and above all to taxpayers—to get on with this job efficiently.

Mrs Spelman: As I have made clear, if we do nothing the bill for the taxpayer will mount to £1 billion over the next 10 years. That is a significant fact and we owe it to the taxpayer to try to do something about it.

Kerry McCarthy (Bristol East) (Lab): It has been obvious to those of us who attend Environment, Food and Rural Affairs questions that the Government have intended for months to sneak this statement out on the last day before the recess. That is because the Secretary of State knows that the science does not support culling or the new blood sport that she has just created. When will the Government stand up to the farming lobby and tackle the impact of cattle movements and farmers allowing cattle that they know to be infected to go to market?

Mrs Spelman: It is clear that we have taken our time on this decision because it is important that we make the right one. We have taken more time than we originally intended to listen to all the stakeholders involved—some of them more than once. We wanted to make an oral statement and the decision is in our business plan for July. I have therefore come to make that oral statement.

Sheryll Murray (South East Cornwall) (Con): May I urge the Secretary of State to ignore the advice from the Labour party, which failed to act decisively when it was in power and instead allowed the problem to escalate?

Mrs Spelman: Perhaps more than anyone in the Chamber, I understand how difficult this decision is to make—because the Secretary of State has to make it. I have weighed the arguments and deliberated carefully. I am, of course, sympathetic to those who always have animal welfare uppermost in their minds. So do I, and that is one of the factors that I weighed in my consideration. However, I do feel that the decision we have announced today is the right one.

Caroline Lucas (Brighton, Pavilion) (Green): Is the message that the Secretary of State is sending out today not highly likely to be seen as a green light to an increase in small-scale illegal badger killing that in turn is likely to increase the incidence of cattle TB, and will she acknowledge that there is significant scientific evidence countering the evidence that she has cited today?

Mrs Spelman: I want to make it perfectly clear that the badger remains a protected species and that those caught culling them illegally face severe penalties. That remains in place. Today we are asking Natural England under licence to consult farmers consortia to undertake a controlled reduction of the badger population in a careful, effective and humane way. On the science, I think that we have been through this argument several times already. I recommend that the hon. Lady read the latest scientific evidence, peer reviewed, by Christl Donnelly, on the outworking of the random badger culling trial post-2007.

Mel Stride (Central Devon) (Con): As I represent a constituency in the south-west, I wholeheartedly congratulate my right hon. Friend on her statement. It sometimes takes courage to do the right thing in politics—and she has shown that courage. My farmers will be eternally grateful for this decision. Does she agree that there is not a country in the world that has tackled bovine TB successfully without getting on top of the reservoir of that disease in the wildlife population?

Mrs Spelman: My hon. Friend is right about other parts of the world trying to eradicate TB in the cattle population. Possums had to be culled in New Zealand, feral buffalo in Australia, and white-tailed deer in America; and badgers in Northern Ireland had to be culled in order to reduce the rate of infection in the wildlife population. No country has succeeded in eradicating the disease without doing that.

Mr David Hanson (Delyn) (Lab): The Secretary of State will know that in Wales a legal challenge in June stopped the badger cull, as a result of which an advisory committee on the science has been established. What contingency plans has she made for a legal challenge to this announcement? If the Welsh Assembly's assessment is that the science shows that culling does not work, will she revisit her decision?

Mrs Spelman: One of the reasons we have taken our time to weigh up this decision carefully is that there is, as we acknowledge, a risk of a legal challenge. We are piloting reduction by controlled shooting and evaluating the results in part to establish the evidence base for our decision. I have done all that I can to deal with a potential legal challenge. The pilots themselves will prove whether the method is effective and humane.

Mr Gary Streeter (South West Devon) (Con): May I too congratulate my right hon. Friend on the courage she has shown in making this difficult decision and on making this balanced statement to the House today? Can she confirm that at least one of the pilot areas will be in Devon, which is one of the hot spots for bovine TB?

Mrs Spelman: I cannot confirm the location of pilots yet because the industry has not made such proposals to me. It is important to define pilot areas with boundaries so that the perturbation effect can be minimised.

Chris Williamson (Derby North) (Lab): I think that the Secretary of State has a curious way of showing her love for badgers and her desire to protect them—by introducing a new blood sport. I hope that the pro-blood sport influences on the Government Front Bench are not behind this decision. Does she accept that culling badgers will not solve this problem? The scientific evidence suggests that it will actually increase the likelihood of bovine TB. Bad husbandry can be a reason for the spread of bovine TB, too, so will she explain to the House why she is rejecting the scientific evidence suggesting that a cull will not work?

Mrs Spelman: Nature conservation includes the controlled reduction of species in nature. I am sure that the hon. Gentleman would give me that as a fact. I beg to differ, however, on the science. The randomised badger culling trial showed in the initial period that if the badger population is controlled within a confined area under controlled conditions, the population is reduced and a significant reduction in TB breakdown of herds can be achieved. The subsequent outworking of that trial shows that that benefit lasts.

Neil Carmichael (Stroud) (Con): I welcome the Secretary of State's statement because it shines a spotlight on the fate of cattle and the impact on farmers and rural areas. I thank her for the statement. Does she have any thoughts on the evaluation of the vaccination being developed in my constituency and on how long it will take to produce results?

Mrs Spelman: There have been trials in my hon. Friend's constituency on the deployment of the injectable vaccine. That is all there is available to tackle badger TB. I have seen the trials for myself. They have concluded that it is possible but impractical and certainly difficult to make affordable. We have established through those trials the practicalities, and that was what was being undertaken in his constituency.

Julie Hilling (Bolton West) (Lab): Does the Secretary of State agree with the assessment of her own expert wildlife crime unit that the free shooting of badgers presents a very real danger of persecution being carried out under the pretext of culling?

Mrs Spelman: I think that those assumptions were made before we published the detailed guidance today. I recommend to her the guidance that we have issued to Natural England because it shows precisely the controlled conditions we propose would be required for licences to be granted in order to minimise risks to public safety and maximise the effectiveness and humaneness of this approach to dealing with badgers.

Gavin Barwell (Croydon Central) (Con): I realise that many of my hon. Friends who represent farming communities feel strongly about this issue, but I hope they will accept that my constituents are likely to be concerned about what the Secretary of State has announced. The key thing is that policy is determined by scientific evidence, so may I encourage her to publish a plain English version of the evidence that she alluded to in her statement?

Mrs Spelman: I would be happy to do that. My hon. Friend's constituents might be reassured to know that nine of the scientists—most of them involved in the original randomised badger culling trial—have agreed on one version of the truth and the facts relating to that scientific exercise. They are the facts that I have set out today: with a controlled reduction in the badger population in a confined area it will be possible to reduce significantly the number of TB breakdowns.

Jim Shannon (Strangford) (DUP): I welcome the Secretary of State's statement. I represent the area in the Northern Ireland with the highest level of bovine TB in the whole Province, where it is a devolved matter. I welcome her commitment to sharing the information with other devolved regions. It is good news. Will she agree to work with other regions in the United Kingdom—Scotland, Wales and Northern Ireland—to ensure a concerted and concentrated eradication of bovine TB across the whole of the UK?

Mrs Spelman: Of course, and in the interests of the respect agenda in particular, we would be keen to work with the other devolved regions. However, it is also important to point out that Scotland is currently TB-free, and I expect that it would want us to do all that we can to ensure that that remains the case.

Dr Sarah Wollaston (Totnes) (Con): Can the Secretary of State confirm that badgers infected with TB and with TB lesions in their kidneys excrete large amounts of TB on to grass? We all get many letters from constituents asking us to ensure that cows have access to grass and are not reared on large factory-scale farms, so surely controlling bovine TB is an important way of ensuring that grass is safer for cows to eat.

Mrs Spelman: Of course, my hon. Friend has a professional background that helps her to understand epidemiology. However, the important point is that it is beyond doubt that there is transmission between badgers and cattle. The fact that they share pastures and fields means that they can pass the disease between them in the way she has described. Even the Badger Trust would acknowledge that the disease is passing from badgers to cattle, as well as from cattle to cattle. Controlling the badger population in a particular area in the way I have described should indeed help.

Nic Dakin (Scunthorpe) (Lab): Will the Secretary of State publish any advice she has received from the Association of Chief Police Officers on public order issues arising from this decision?

Mrs Spelman: I cannot publish that advice, for security reasons.

Glyn Davies (Montgomeryshire) (Con): For more than a decade, it has seemed obvious to many of us that an effective pilot badger culling scheme is needed to help develop a policy to tackle the bovine TB catastrophe, for the benefit of both cattle and wildlife. However, we know that there will be a well-funded, well-organised campaign of opposition. What lessons has the Secretary of State learned from the legal pitfalls that scuppered a project by the Welsh Assembly Government a few years ago to carry out a similar policy?

Mrs Spelman: We have been following that closely, which is one of the reasons why we are proceeding with two pilots to establish the efficacy and humaneness of controlled shooting as a method of controlling the population of badgers in the affected areas. The measured approach that we are taking to rolling out the scheme is important in sustaining the Government's case.

Sarah Newton (Truro and Falmouth) (Con): I very much welcome the Secretary of State's statement today. She is clearly doing the right thing, albeit acknowledging that it will not necessarily be the popular thing among large parts of the community in this country. I have seen the suffering of badgers and cattle at first hand, so can she assure me that accurate information about the appalling suffering inflicted by this disease will be widespread, and say why the science-led approach is absolutely necessary?

Mrs Spelman: Yes, I can give that assurance, and the industry, too, will provide many examples of the human angle in the devastation suffered. I invite those who do not support the approach we are taking to think what the alternative is, in the absence of a viable vaccine at this point in time, to help to combat a disease that has devastated so many lives and so much of the countryside.

Rory Stewart (Penrith and The Border) (Con): I congratulate the Secretary of State on the serious focus that she is showing on this issue. However, in Cumbria, which has been largely TB-free, we are now under threat. Recent incidents have arisen from dealers moving infected cattle from infected areas into Cumbria. May I urge the Secretary of State please to look at what we can do to prevent that from occurring in the future and, in the meantime, to encourage auction houses to let farmers know before they buy cattle whether they have been in an infected one to two-year testing zone in the previous six months?

Mrs Spelman: This is a balanced package of measures for the control and eradication of TB in cattle, and at its foundation are cattle movement measures. My hon. Friend is quite right, and we are looking to tighten up on pre-movement testing. We have already introduced an expansion of areas for more frequent testing. We are extending the use of gamma testing, and we will be strengthening enforcement of TB surveillance and control. I can assure my hon. Friend that we are tightening up on cattle movement as an integral part of this package of measures.

ROYAL ASSENT

Mr Deputy Speaker (Mr Lindsay Hoyle): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Supply and Appropriation (Main Estimates) Act 2011

Finance Act 2011

European Union Act 2011.

Point of Order

2.23 pm

John Cryer (Leyton and Wanstead) (Lab): On a point of order, Mr Deputy Speaker. The House will be aware that on 8 July, the Prime Minister held a press conference during which he said that he had instructed or commissioned a private company to do a basic background check on Andy Coulson, but he did not mention the name of the company. Following the statement made by the Secretary of State for Culture, Olympics, Media and Sport at the beginning of the following week, I asked for that name to be released. However, it was still not released, so I tabled a written parliamentary question later that day, for answer on the Thursday. On the Thursday the answer did not come back. It has still not come back today, and No. 10 is refusing to issue or release the name of the company that carried out the basic background check. Is there any way that we could encourage the Prime Minister to fulfil a basic duty?

Mr Deputy Speaker (Mr Lindsay Hoyle): What I can say is that it is not for the Chair, and my advice would be to go and see the Table Office. However, I am sure also that No. 10 will have heard the point that the hon. Gentleman has raised, and there will be an opportunity tomorrow to catch Mr Speaker's eye.

Betting Shops

Motion for leave to bring in a Bill (Standing Order No. 23)

2.24 pm

Joan Ruddock (Lewisham, Deptford) (Lab): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to create a new planning use class for betting shops which would require the granting of planning permission; to provide that local planning authorities assess demand for betting shops when considering applications for premises in that planning use class and place a cap on the number of betting shops for which planning permission may be granted in any area; and for connected purposes.

In 2005, the Yellow Pages business directory created a league table for high streets in London. Deptford high street came first, beating Kensington high street into second place as the most diverse and vibrant high street in London. It is full of colour, and noise and smells, and people who originated in every part of the globe. It is not precious, and never pristine. Some establishments have been there for over a hundred years, such as Manze's Pie and Mash; others are much newer, such as the Train Carriage café. Deptford high street is much loved by locals, and its diversity is a matter of pride.

But a change is being brought about in Deptford high street. It is unsolicited, unwelcome, and out of control. Betting shops are proliferating, squeezing out diversity and attracting antisocial behaviour. Again and again, when a property becomes vacant, another betting shop chain bids for the premises. Such properties have included some of the high street's most iconic buildings. I am not opposed to betting, and it is clear that many of my constituents use such facilities; rather, it is the number of betting shops that is the problem and the lack of any opportunity for local people to have a say on the profound changes affecting their environment. That is why I am introducing this Bill today. It seeks to make a simple change to the planning laws, to put more power into the hands of local people.

Let me first pay tribute to the interest that Lewisham council has taken in this matter. In 2009, the council developed a proposal under the Sustainable Communities Act 2007 for a change in the law. It had responded to local protests in Brockley in 2008 against a betting shop, and had turned it down. The bookmakers won their case on appeal, although the appeal judge said that had he been allowed to take demand into consideration, he might have refused the appeal. In its submission, the council said:

"The Gambling Act had what we believe was the unintended consequence of disempowering communities and local government by removing the 'demand' criterion for new bookmakers' premises and replacing it with criteria including the safeguarding of children and vulnerable people which, while welcome, have proven ineffective in preventing unpopular applications being allowed and which allow no consideration of the number of existing bookmakers."

Clearly those unintended consequences were not spotted in time, and Lewisham council was not successful in its bid to change the law.

A turf war is now under way, as bookmakers, including new entrants, seek to seize market share. The matter was aired again in an Adjournment debate on 24 November last year by my right hon. Friend the Member for Tottenham (Mr Lammy), to whom I pay tribute for

leading this campaign. He is one of my Bill's sponsors today. He graphically described the effects of betting shop proliferation in Haringey, saying:

"Cultural landmarks that have been anchored in our communities for decades are evaporating and betting shops are opening in their place...The latest application for a betting shop on Tottenham High road—the 10th along that stretch of road—would mean a betting shop replacing one of the most famous independent music shops in the north London area."—[*Official Report*, 24 November 2010; Vol. 519, c. 403.]

In the same debate, the hon. Member for Wells (Tessa Munt), another of my sponsors, reported on a similar problem arising in her coastal towns, indicating that this is not just an inner-city problem.

Let me now return to Deptford, and to the latest campaign, led by my constituent, Ms Sue Lawes. About 1,000 individuals, alongside shop owners and other local businesses, rejected proposals for a Betfred to replace a building society. Ms Lawes said in her letter to the planning department:

"On behalf of the petitioners I strongly object to this application since it will be the eleventh betting office in the vicinity of Deptford high street, the eighth actually on the high street, and the sixth within a 150m stretch that already has five other betting establishments, two pawnbrokers and one money lender. As an A2 use, like banks and building societies, they"—

that is, Betfred—

"state that they expect to attract footfall throughout the day. However, very unlike banks and building societies, they also expect to attract footfall in the evenings, as well as weekends, especially Sundays. This does not sit well with residents, many of whom have signed the petitions or have written their objections."

Clearly, something must be done.

In response to the Adjournment debate to which I have already referred, the Communities and Local Government Minister, the hon. Member for Bromley and Chislehurst (Robert Neill) told my right hon. Friend the Member for Tottenham that

"a localism Bill will give local authorities more discretion in regard to the way in which they reflect local need in the planning process. Before too long, we will present proposals relating both to the Bill and to associated planning reforms. I do not suggest that that will automatically provide a silver bullet either, but we will keep these matters under review."—[*Official Report*, 24 November 2010; Vol. 519, c. 410.]

Since then, the Localism Bill has passed through this House, during which process another concerted effort was made by Labour Members to get amendments accepted on Report. New clauses 30 and 31 were tabled by my right hon. Friend the Member for Tottenham and supported by me. Amazingly, for a Government supposedly committed to empowering local people, Tories and Lib Dems voted down the new clauses.

The Bill that I present today mirrors those new clauses. Taking betting shops out of their current place in use classes order A2 alongside banks and building societies would make it possible to make planning judgments appropriate to the local area. Local planning authorities would be able to assess demand for betting shops, and indeed place a cap on the number of betting shops for which planning permission may be granted. This simple measure would not inhibit the industry from creating a natural spread of outlets, but it would give some hope to areas such as mine, in which extreme clusters are totally unacceptable.

Deptford is the 87th highest in the indices of multiple deprivation. The two wards surrounding Deptford high street are among the top 10% for deprivation in the country, and those in work are earning below the London average. Sadly, we have high levels of substance abuse, addiction and mental illness. Is this really a community that needs 11 betting shops, or is it a community that is being cynically exploited by corporate business?

Overall, however, Deptford is a vibrant and resilient community. It has an amazing arts and cultural scene, including the annual Deptford X festival. Over the past 10 years, I have campaigned for a new railway station on Deptford high street, and in April I cut the first sod. Developments around the station are under way, and much investment is in place. Given all this community endeavour, it cannot be acceptable that bookmakers should be allowed, in the pursuit of their own profits, to trample over the wishes and aspirations of the local community. I urge Ministers, as they undertake their review of the use class order system, to give my local constituents and those of other right hon. and hon. Members much-needed control over their local environment, and their local representatives the power to respond to local demand. I commend the Bill to the House.

2.34 pm

Mr Laurence Robertson (Tewkesbury) (Con): The right hon. Member for Lewisham, Deptford (Joan Ruddock) has spoken with great enthusiasm, passion and obvious care about her constituency. Because of other business taking place in one or two Committees here today, I do not intend to divide the House on the Bill, but I want to put forward another way of looking at this issue that might not have been considered.

First, I want to look at what betting shops are. They are no longer the seedy establishments that they might once have been. They are places where people can have an innocent flutter on the grand national, on the Cheltenham gold cup—which takes place in my constituency—on the Derby, or on the 2.35 at Lingfield on a rainy Tuesday. The betting industry, of which the shops are obviously a part, supports more than 40,000 jobs across the country. In addition to corporation tax, they pay extra betting duty, and all that tax put together amounts to £700 million being paid to the Exchequer every year.

The betting industry also pays the horse race betting levy, which goes a long way towards funding the sport of horse racing, which is the second most popular spectator sport in the UK, and employs many thousands of people on top of those employed directly by the betting industry. Betting paid £60 million to racing through the levy in 2010-11. On top of that, the industry pays millions of pounds in voluntary contributions as sponsorship of the sport.

It is important to look at where that money from betting shops goes. Yes, some of the money from those bets goes to prize money for the top races such as the grand national, but it also goes to many races that are worth less than £2,000. That money in turn is redistributed to trainers, and to jockeys and stable staff, many of whom are not very well paid at all. It also funds training and education, including the schools programme. It pays for integrity and regulation in horse racing, which keeps the sport clean. It pays for veterinary education,

[Mr Laurence Robertson]

science research and advances in science. It is not only prize money that the betting shops pay for; they also fund the education of youngsters. There are moves to change the way in which the levy system works, but the betting industry will, without doubt, continue to contribute towards horse racing in a big way. There is an awful lot more to the role of betting shops than might meet the eye.

The Bill would introduce a planning requirement that applies to very few other businesses. First, it would restrict the number of betting shops in a particular area, although competition is hardly ever considered to be a valid planning objection. The Bill would also require an assessment of the demand for extra shops, but surely the person or company proposing to open the business will already have carried out such an assessment. The Government are now proposing to refine the planning guidance that they issue, but I hope that they will not be tempted down the road of preferring one business to another. I do not believe that that is the role of the Government.

The argument for restricting the number of betting shops is based on the so-called proliferation of problem gambling, but that problem does not exist. With less than 1% of those who gamble being defined as having a problem, the UK is way down the list in the international league of countries that might have problem gambling. It is also wrong to suggest that there has been a proliferation of gambling itself. It is important to remember that the amount of money that people gamble is not the most important statistic; the important measure is the amount that people lose, and that is not a problem for very many people in the United Kingdom at all. Nor is it the case that two shops operating on a high street instead of one would lead to double the amount of money being gambled in that area, because the law of diminishing returns will set in. Even so, the number of betting shops across the country has fallen from about 15,000 in the 1980s to about 8,800 today. That is almost a halving of the number of betting shops in the country. Indeed, in the right hon. Lady's own area, I understand that there has been an overall fall in the number of betting shops. I also understand that Haringey council has recently refused a number of applications for betting shops, so the power to turn down those applications already exists.

Nevertheless, it is important to say that the betting industry contributed £5 million last year to support the research, education and treatment of problem gamblers, and that the Gambling Act 2005 requires the vast majority of betting shops to have an operating licence, a personal management licence and a premises licence before they can start trading. There are a number of safeguards in place—and quite rightly so.

To conclude, we have betting shops and the industry more generally paying a lot of money in taxation; employing thousands of people; funding horse racing and its associated activities, some of which involve education; and, yes, responding to market need. I thus ask where is the problem that requires even more nanny-stateism, even more needless regulations and even more costs to be added to businesses and local authorities? I would suggest that the problem is not there. With great respect to the right hon. Lady who is trying to introduce this Bill, it represents a solution looking for a problem. As such, although I will not divide the House, for the reasons stated earlier, if the Bill makes progress I will seek to oppose it in its later stages.

Question put and agreed to.

Ordered,

That Joan Ruddock, Debbie Abrahams, Heidi Alexander, Tom Brake, Mr Mark Field, Mike Gapes, Mr David Lammy, Tony Lloyd, Mr Andrew Love, Caroline Lucas, Tessa Munt and Mr Virendra Sharma present the Bill.

Joan Ruddock accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2012, and to be printed (Bill 223).

Mr David Lammy (Tottenham) (Lab): On a point of order, Mr Deputy Speaker. It has been the manner of the House that, before making a speech, one declares an interest. We have just heard a speech by the hon. Member for Tewkesbury (Mr Robertson) and it is my understanding that he has a role supported by the betting industry. It should have been declared before his contribution, which, frankly, felt like a speech that had been written by the industry itself.

Mr Deputy Speaker (Mr Lindsay Hoyle): That is not a matter for the Chair; it is a matter for each Member to decide whether they feel it is relevant to declare their interest.

Mr Laurence Robertson: I made the speech, and I think most Members would understand that I came from a horse racing background. I am indeed joint chairman of the all-party parliamentary group on racing and bloodstock, but that group is not supported by bookmakers.

Mr Deputy Speaker: I think that answers the point of order. I want no more points of order on that subject.

Tony Lloyd (Manchester Central) (Lab) *rose—*

Mr Deputy Speaker: I take it that this is a different point of order?

Tony Lloyd: On a different point of order, Mr Deputy Speaker. It used to be the convention of the House that when a Member opposed a ten-minute rule Bill, they took that opposition to a vote. Will you consider whether that practice should be reinstated, Mr Deputy Speaker? Quite frankly, it is a waste of the House's time for somebody to oppose my right hon. Friend's Bill today, but not to seek to divide the House so that the opinion of Members can be tested.

Mr Deputy Speaker: I can reassure the hon. Member that that is not the case. It has always been an option not to seek a Division. Furthermore, we are now eating into the debate by raising points of order rather than making good progress. I want us to make some progress now.

Backbench Business

[30TH ALLOTTED DAY]

Summer Adjournment

2.44 pm

Natascha Engel (North East Derbyshire) (Lab): I beg to move,

That this House has considered matters to be raised before the forthcoming adjournment.

Thank you for calling me, Mr Deputy Speaker; I thought that this moment would never arrive. A total of 66 Members want to participate in the debate, including our newest Member—my hon. Friend the Member for Inverclyde (Mr McKenzie)—who is hoping to make his maiden speech. [HON. MEMBERS: "Hear, hear."] It is unfortunate therefore that two Government statements, important though they both were, have taken almost two hours out of Back Benchers' time. To set an example of brevity and to prepare us for all the constituency carnivals and fairs at which we will be spending most of our time during the recess, I hereby declare the debate open.

Mr Deputy Speaker (Mr Lindsay Hoyle): We are now coming to a maiden speech, and I remind hon. Members not to intervene on it.

BUSINESS, INNOVATION AND SKILLS

2.45 pm

Mr Iain McKenzie (Inverclyde) (Lab): Thank you, Mr Deputy Speaker, for calling me in this debate to make my maiden speech. I regard it as both a privilege and an honour to represent the constituency of Inverclyde. My constituency has been served extremely well by many accomplished individuals; however, I am only the second Member for Inverclyde to have been born in Inverclyde. The first was, of course, David Cairns.

My two immediate predecessors in my seat, which has often had its boundaries changed, were Dr Norman Godman and the late David Cairns. Dr Godman served in the House for 18 years, and his hard work and enduring commitment to the peace process in Northern Ireland earned him a great deal of respect and admiration. David Cairns was an excellent MP for Inverclyde; his parliamentary career was cut all too short by his sudden death, and I am well aware of the great respect that all parties had for David, as did the people of Inverclyde, as reflected in the large majority he held in the 2010 general election. If I can serve my constituents half as well as David, I shall be doing well indeed.

Like David, I was born, and for a time grew up, in a small part of Inverclyde. It is, I think, unique that an area of Greenock known as Broomhill should produce two MPs virtually from the same street. Back then Greenock's population was growing, and my parents, guilty of participation in the '60s baby boom, moved to a bigger home in the new housing being developed in the south-west of Greenock in the appropriately named Fancy Farm. Its housing was truly both modern and very fancy indeed, boasting electric underfloor heating, and even a rear door to the home.

My constituency is now composed of the towns of Greenock, Gourock and Port Glasgow, as well as the villages of Inverkip, Wemyss bay, Kilmacolm and Quarriers. We are surrounded by some of Scotland's most stunning natural beauty. From the Lyle hill in Greenock, one can look down to Gourock's Cardwell bay and watch the ferries head off to Argyll. Stunning views can also be enjoyed from the amazing engineering feat that is the Cut—a waterway cut into the hillside some six miles in length, with a precision gradient that offered steady and constant water power to our industries of the 19th century.

As anyone who recently visited Inverclyde in the by-election will confirm, at times it seems we do get more than our fair share of rain—an abundant energy source, water. From the Cut we can look across the Clyde and see the Gareloch, the Holy loch and Loch Long. Beyond the Rosneath peninsula lies Ben Lomond and the majestic Lomond range. To the west there is the unmistakeable figure of the Sleeping Warrior of Argyll, and to the south lies the Burns country of Ayrshire.

Our history is the history of the River Clyde—the lifeblood of my constituency. We continue to be a maritime people, either seafarers or shipbuilders, and two of our most historic sons are connected in that way. One of them, the great inventor and scientist James Watt, who captured the power of steam, was sought after by leading authorities in industry; the other, the pirate Captain Kidd, was just sought after by the authorities!

[Mr Iain McKenzie]

Shipbuilding was, not surprisingly, our dominant industry over the last 300 years. We built the finest ships ever to set sail. Even today, many years after shipbuilding is all but gone from my constituency, Clyde-built ships can still be seen travelling the oceans—testament to quality in design and craftsmanship. It took us a long time to recover from the devastation of the closure of our shipyards. The cruise ships that visit the deep ocean terminal in Greenock no longer carry the label "Clyde built", but are increasing in number year on year, bringing tourists into the west of Scotland. Again, the River Clyde seems to be playing its part in—we hope—delivering a new industry, tourism.

Only two weeks ago Inverclyde welcomed the tall ships race, a four-day celebration of all things maritime, and our young people took the opportunity to volunteer to help with that great event. Indeed, some sailed on the tall ships as crew to the next port of call. We have found that they return the better for the experience, motivated and energised, and ready to contribute positively to our communities.

Inverclyde has also shown its resourcefulness and determination to apply itself to new emerging industries and technologies. The 1980s saw us pioneer the mass production of the personal computer, adapting our skills to revolutionise the speed of communication across the globe once again, as once our ships did. A Labour Secretary of State for Scotland had the good sense some 50 years ago to persuade IBM to set up a plant in Greenock. IBM Spango Valley, which lies between Greenock and Inverkip, was to write itself into history as the venue where the world was first introduced to the mass-produced personal computer. So Inverclyde embarked on a new journey building and exporting computers, earning itself the title of the export capital of Scotland. A short distance from Spango, over the hill in Larkfield, ground-breaking work on processors by National Semiconductor pioneered the way for much of today's hand-held technology.

Unfortunately, with the decline in electronics Inverclyde again finds itself in the shadow of rising unemployment. Notwithstanding the delivery of new school buildings, new housing and modern leisure facilities, unemployment stubbornly remains our biggest challenge. On average, more than 30 people are chasing every job vacancy in my constituency, and an even higher average number of young people do so. That is an appalling and depressing level of unemployment. To retain and attract population growth we need employment, and a variety of employment, giving opportunity and hope, especially to our young people.

Full employment is a great and fine principle, as enunciated in the House by Keir Hardie when he spoke of the right to a job. The people of my constituency ask for the right to work: they are social people, who truly believe in a society in which all have a job, and they believe that it is the duty of Government to deliver full employment.

The number of tourists on the last cruise ship that visited Greenock was greater than the combined number of votes—3,000—for the Government's candidates in Inverclyde's by-election. It would seem that the people of Inverclyde need a lot more convincing that their ship has indeed come in.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Time is pressing, so I am introducing a four-minute limit.

2.55 pm

Martin Vickers (Cleethorpes) (Con): Let me first pay tribute to the hon. Member for Inverclyde (Mr McKenzie) and commend him on his maiden speech. It was good to hear from a Member who, like me, was born in the constituency that he represents. Given his description of his constituency's stunning natural beauty, it clearly has similarities with Cleethorpes.

I will be as brief as possible, Mr Deputy Speaker. The economy of northern Lincolnshire could be described as "stuttering" at the moment. It has taken many knocks, but it has the potential of a new dawn from the renewables sector. Despite its name, Cleethorpes is a highly industrialised constituency, containing Immingham docks and much of the Humber bank. Associated British Ports operates the Grimsby-Immingham docks complex, which is the largest in the country. However, expansion and regeneration are being held back by transport infrastructure that is in urgent need of improvement.

The northernmost town in my constituency is Barton-upon-Humber, which is just 20 minutes' drive from the centre of Hull, but Humber bridge tolls are a tax on jobs. The free movement of labour is restricted. It is totally unrealistic to expect someone in Barton to accept a job in Hull paying the minimum wage, and even more unrealistic to expect people to take part-time work.

The hopes of all local people are resting on the current Treasury-led review, which is due to report in November. The business community and local people are encouraged by the work of the review team, and by Ministers' determination to deliver a sustainable solution that may well be based on a social enterprise model. It is essential to have lower tolls in the relatively near future; we do not want promises that may never materialise.

In the East Halton and Killingholme area of my constituency sits the site of the proposed south Humber gateway development—in which Able UK Ltd has invested £100 million—alongside the largest undeveloped deep-water channel in the UK. It is thought that £1.5 billion of private sector development may follow, much of it in the renewable sector. That would offer an opportunity to develop a cluster for the sector, involving the construction of wind turbines. The ports of Immingham and Grimsby are ideally located for the service and supply of offshore wind farms—and offshore is where we want them to be, rather than in the countryside.

A major problem with the gateway development is the bottleneck in the planning process. It has been caused by a number of Government agencies, notably Natural England. Such agencies, including the Environment Agency, must appreciate that planning issues are commercial issues, and that they must move at the same speed as the demands of investors and developers. The current leisurely pace is not acceptable.

Northern Lincolnshire has taken a bit of a body blow in recent times, with the announcement of 1,200 job losses. Many of those jobs were done by my constituents at the Tata Steel works in Scunthorpe. It is encouraging that the Secretary of State for Business, Innovation and Skills will be visiting the steelworks tomorrow. It is also

encouraging that the Prime Minister has taken an interest, and we eagerly await a meeting with him. I hope, however, that Ministers will be able to give us some confidence that not only the Secretary of State and the Prime Minister, but the Government as a whole, will support the local infrastructure. The highways, particularly the A160 route to Immingham, urgently need an upgrade, and it is desperately important for that to be included in the first phase of the next building programme. I hope that the Minister will be able to assure me that he will press our case with transport Ministers at the earliest opportunity.

The area is building itself up for the renewables sector. There are great training prospects at the Grimsby institute, Lincoln university and other institutions—

Mr Deputy Speaker: Order. The hon. Gentleman's time is up.

2.57 pm

Jon Ashworth (Leicester South) (Lab): Let me begin by congratulating my hon. Friend the Member for Inverclyde (Mr McKenzie) on his eloquent and passionate maiden speech. Having made a maiden speech myself only two months ago, I can imagine the relief that he is feeling now that he has got through it and sat down, but his speech was excellent. I am also pleased that I am no longer the new boy in the House.

I welcome the equality impact assessment that was published yesterday. I think that some Opposition Members would have preferred it to have appeared a little earlier, but we are none the less grateful for its publication in time for this debate. I also thank other Members who have secured debates on English for speakers of other languages—commonly known as ESOL.

As many Members will know, Leicester is a richly diverse city, and for that reason the changes in ESOL provision are causing much concern in areas throughout the city, including my constituency. Five thousand learners in Leicester, 2,000 of them in Leicester South, have benefited from ESOL provision in the past year, with some degree of fee remission. A total of 1,500 learners were enrolled in the Leicester adult skills and learning service, 84% with fee remission, of whom 75% were not receiving work-related benefits. As the equality impact assessment showed, many of those people are women. That does not surprise me, because when I visit providers, such as Highfields youth and community centre, I am particularly struck by the number of low-income women, usually from Asian or African—particularly Somali—backgrounds, who are benefiting from ESOL provision.

Women have told me moving stories about how they would never leave the house before they went on ESOL courses, but had to wait for their husbands to come home. Other women have told me of wanting to help their children at school. Given that Leicester has one of the highest levels of child poverty in the country, I think that the ability of a mother to help her child at school is vital. As we know, education is the fastest route out of poverty for many of those children.

I have also heard stories of men and women who have moved into work, and even started their own businesses, after taking ESOL courses. As a result of the state's investment in them, they are now investing in the local economy by employing people. Although I understand that ESOL provision will be maintained for those receiving jobseeker's allowance and other active benefits, colleges and providers fear that following the cuts they will no longer be able to sustain courses this September.

For example, on the St Matthew's estate there is a course just for Somali women. Its providers are worried that the course will have to end this September if the Minister does not change his mind. Although I have not met the Minister directly, I know he has met many Members, and I appreciate that he has listened on this topic. In his statement yesterday he made some concessions, such as saying he wanted to provide more support, but there is still a lack of detail, so will Minister say more today about how he expects the new changes he is working on with the Department for Communities and Local Government to develop? Also, will the new scheme be unveiled by September or August?

We talk a lot about community cohesion. Indeed, when the Home Secretary launched the Prevent strategy a few weeks ago she said that this Government would

"do more than any Government before us to promote integration"—[*Official Report*, 7 June 2011; Vol. 529, c. 53.]

I therefore ask the Minister this: has he discussed the impact of his ESOL changes with the Home Secretary? In cities such as Leicester ESOL is absolutely vital to community cohesion and integration. I am worried that the ESOL changes would not serve to back up the Home Secretary's grand statement that this Government will do more than any other to promote integration. Will the Minister give us more detail in his summing up, and will he at least delay the changes in ESOL provision planned for this September? If not, I will be worried about the consequences for my constituency.

Madam Deputy Speaker (Dawn Primarolo): I am looking around at a very quiet Chamber, with no Members standing to indicate they wish to speak.

Several hon. Members *rose*—

Madam Deputy Speaker: I call Justin Tomlinson.

3.1 pm

Justin Tomlinson (North Swindon) (Con): Before turning to the exciting subject of Swindon town centre regeneration, may I congratulate the hon. Member for Inverclyde (Mr McKenzie) on his excellent maiden speech?

We in Swindon have had our challenges. For the past five years there has been an annual drop in footfall in the town centre of about 22%. Swindon has dropped 10 places to 65th in the league table for the best places to shop, with our neighbouring competitors Bristol in 12th place, Reading in 15th, Bath in 22nd, Cheltenham in 27th and Gloucester in 107th. In 2010, 17% of retail units were empty and local Labour politicians had seemingly given up on any hopes for town centre regeneration. But fear not: all is not doom and gloom, because we have seen some dramatic recent improvements.

The local council has introduced cheaper car parking, focusing on a flat £2 for four hours. That has reversed the fall in footfall; there is now a 10% increase. Crucially, there has been a significant increase in dwell time as well. Instead of shoppers popping in to do one task, such as banking, they are now staying and spending.

[Justin Tomlinson]

Café Roma in the Brunel centre has reported an 18% increase in its business, and I salute it for helping refuel our shoppers. The new £10 million central library has been delivered on time and on budget. There has been significant private sector investment, which shows that there is a belief in our town centre, with a £20 million investment in the Parade, and new BHS, Topshop and River Island stores opening. The dirty old canopies have been removed from the Parade and replaced at the Brunel centre, and we have a refurbished Debenhams. Some £2.8 million has been invested in public open space, improving the shopping experience to Canal walk, Regent street and Wharf green.

In Swindon, the town centre business improvement district company, which is responsible for helping traders improve their business, is making a real difference, such as through marketing support for retailers, the town centre website, the four-page monthly promotional newsletter in the *Swindon Advertiser*, the events it organises—including the 2010 Christmas campaign, partnered with Walt Disney World, when 20,000 visitors came to the turning on of the Christmas lights—and additional street cleaning and security. I wish those people the best of luck in their re-election campaign for a further five-year term in early 2012. There has also been a significant fall in the number of empty units. The vacancy rate in the Brunel shopping centre is now only 4%.

Turning to the future, as developers once again gain confidence and access to funding, it is essential that we are first in the queue to secure further regeneration, in particular for Union square, a £350 million scheme which is one of the largest non-Olympics construction programmes in the past 10 years, and for the College site, which was delayed at the last minute due to Labour's wrecked economy. To help achieve that, Swindon borough council set up the arm's-length urban regeneration company Forward Swindon.

We must also embrace the Mary Portas high street review. In particular, I fully support Mary's mantra that customer service is king. For example, the Forum, an independent clothes store in the Brunel centre, has traded from strength to strength for over 20 years. It has managed to survive the economic cycles and relentless competition as it focuses on providing an alternative with exceptional customer service.

We can all play a part in delivering Swindon town centre regeneration. As the local MP, I will continue to champion all that is good about Swindon, and through my work on the all-party parliamentary groups on retail and on small shops, I will continue to push opportunities for retailers. Swindon borough council must remain committed to town centre regeneration as set out in the central area action plan. Local traders must continue to focus on customer service and offering alternatives to our neighbouring competition. Finally, as local residents, where possible we need to continue to support and use our town centre, building on the encouraging recent increase in footfall.

3.5 pm

Lilian Greenwood (Nottingham South) (Lab): It is fortunate that today's debate follows yesterday's ministerial statement accompanying the publication of a new equality impact assessment of courses in English for speakers of other languages. Like my hon. Friend the Member for Leicester South (Jon Ashworth), I welcome its publication and I am pleased that the Minister has asked the Association of Colleges, together with Lord Boswell and Baroness Sharp, to advise on how funds can be targeted. However, I am sure that I am not alone in thinking that this is too little, too late.

Colleges have already planned their provision for September. ESOL learners who are no longer eligible for fee remission will have already decided whether they can afford to enrol on courses or continue their studies, and ESOL tutors will have made plans for the future. My first questions to the Minister are as follows, therefore: when does he expect to receive the report that he has commissioned, and why does he not delay these changes to allow him time to respond?

Not all Members will have had the opportunity to read the equality impact assessment, so it may be useful to highlight some of the key findings. Last year, there were 187,000 adult ESOL students, 68.1% of whom were female. The vast majority of them came from black or ethnic minorities. Some 42% of women enrolling on ESOL courses last year received fee remission because they were in receipt of income-related benefits. A further 2% of women and 7% of men were asylum seekers. If those learners were enrolling this year, they would have to pay hundreds of pounds towards their course costs. That is why 75% of colleges have scaled back ESOL provision. In the most basic terms, people on low incomes will no longer be able to afford to learn English. BEGIN —Basic Educational Guidance in Nottinghamshire— published its own equality impact assessment in April. It found that 73% of adult ESOL clients were from black and ethnic minorities, 83% were not on active benefits, and 84% could not afford new or higher fees.

The Government's report summarises the evidence they received, stating that those required to contribute from August 2011 would be unable to afford to take up ESOL provision, that people will be increasingly reliant on their own families and communities to interpret for them, and that this change would deter people from accessing public services. It also stated that people would be unable to obtain work or make progress in the workplace, that parents would be unable to support their children's learning at school, and that more would need to be spent on translation services. Members should note that the Government did not engage in an open public consultation, and by the report's own admission it is "speculative".

I therefore have a number of questions. The Department says that public funding should not substitute for employer investment and I agree, but what measures are the Government taking to ensure that employers do contribute to the cost of training for their workplace? What measures is the Minister taking to ensure that women learners who care for small children or dependants are not penalised for their caring responsibilities? The document also refers to the single learner support fund, but how much is available, and how much of this will be available to ESOL students? The report states that informal learning opportunities are expected to be available for older Asian learners, but what evidence supports this view?

The needs of asylum seekers do not appear to be addressed in any meaningful way, despite significant concern expressed by the Refugee Council. I know from

my own discussions in Nottingham that it is vital that those who have been subject to persecution are not isolated and excluded due to lack of English. How can asylum seekers be expected to cover half their course fees when they are unable to work?

I would like to thank the Minister for Further Education, Skills and Lifelong Learning for the constructive way he has kept colleagues on both sides of the House informed about this matter, but I have to say that, despite his good intentions, I fear his Government have fundamentally misunderstood the importance of ESOL to the communities we represent, and I urge him to think again.

3.9 pm

Robert Halfon (Harlow) (Con): I declare a lifelong interest in this subject and refer Members to the Register of Members' Financial Interests. I am delighted to have the opportunity to speak in this debate, because I want to talk about a tale of British craftsmanship at its best, our failure to compete and a remarkable industrial revival.

The automatic watch is almost the same now as when it was invented in 1770 and it has often triumphed over computers. For example, in 1970, after Apollo 13 was crippled by a ruptured oxygen tank, Jack Swigert's Omega Speedmaster was famously used to time the critical 14-second engine burn, allowing for the crew's safe return. Even today, the Omega Speedmaster is still the only watch to have been worn on the moon.

Secondly, I wish to discuss British craftsmanship. London led the world, changing the course of history in the 17th century by manufacturing accurate clocks that allowed us to sail throughout the world, trade, make maps and acquire the British empire. British companies such as Smith and Son, George Graham, Josiah Emery, and J. W. Benson forged the first clock-making industry, despite outbreaks of the plague and the great fire of London. Many hon. Members will know the story of John Harrison, a self-educated English clock maker who solved the problem of longitude and was eventually awarded thousands of pounds from Parliament.

Sadly, in the 18th and 19th centuries Britain lost its expertise. The decline of our watch industry is a British parable, just like the tin can.

Mel Stride (Central Devon) (Con): My hon. Friend shares with me a love of watches. I know that he is also passionate about apprenticeships, so does he have anything to say about their importance in this area?

Robert Halfon: I will answer my hon. Friend in my later remarks, and I thank him for his intervention.

The decline of our watch industry is a British parable, just like the tin can and the car assembly line: we invent but others capitalise. In 1800, London was producing some 200,000 watches a year, which were exported not just to Europe, but to Russia, the middle east and even China. However, we became trapped by tradition. After Napoleon's defeat in 1814, the Swiss started to make machine-made copies of London clocks and flooded the market with cheap products. Britain responded with protectionism and price controls. We failed to compete, and our expertise was lost to Switzerland, America and even the far east.

However, there has been a revival in recent times. In 1923, the British National Physical Laboratory produced quartz oscillators, and we all know about the production of the atomic caesium clock in 1955. These are the foundation of telecommunications, satellites and space travel. Famous British household names in horology have resurfaced: Dent & Company, and J & T Windmills, which even has a factory in Essex. Today, we have one of the greatest living names in horology, George Daniels, a British man who invented the coaxial escapement, which is the first practical new watch escapement in 250 years; it is a smoother watch movement that almost eradicates friction, and it was commercialised in 1999 by Omega. Those who have done the most to support this revival in Britain are the British Horological Institute and the Worshipful Company of Clockmakers. We have lost out to Switzerland and the far east, but we still have repair shops, a wealth of academic study and some ultra-high-end manufacturing.

So what is to be done? I welcome the Government's policy on apprenticeships and the work of the Minister for Further Education, Skills and Lifelong Learning, who is in his place, in his promotion of craft. As I mentioned in my early-day motion 623, our funding for skills qualifications must be open to small specialist courses for industries such as horology. I strongly welcome what the Government did last year to extend funding for BHI certificates in clock and watch servicing, and repair, and I am grateful to the Leader of the House for his letter of support in that campaign.

However, there is a wider issue to address: many smaller qualifications are being discontinued because they are not profitable enough for awarding bodies. There are now just three horology training facilities in the UK: Birmingham City university; West Dean college; and the British School of Watchmaking. In Harlow, we are very lucky to have the Eversden family of watchmakers, and they show that in an age of digital technology there is still a public demand for the crafts of old. As George Daniels proved, there is still a demand for British horological genius. I hope that all possible support will be given to the watch-making and clock-making industry, which was once dying but is now showing signs of life in Britain today.

3.14 pm

Eric Joyce (Falkirk) (Lab): In the four minutes available to me, I wish to say a few words about the extractive industries in Africa. The UK has an important role to play, because some of the large mining companies from across the world are listed in London, and that brings a certain amount of responsibility to those companies. Most people recognise that, and I have had the good fortune to have long conversations with representatives of a number of mining companies based in the UK, which, naturally, operate mainly in Africa and across the rest of the world. Most of them seem to approach their role responsibly. New measures that are emerging, such as the Dodd-Frank legislation in the United States, which increases the transparency on payments made to Governments in some of those countries, are generally accepted as very important by most of the mining organisations that I have encountered.

I have spoken before in this place about a company whose way of operating in one particular country, the Democratic Republic of the Congo, has troubled me.

[Eric Joyce]

I will not go into that today, but it is good that there has been some response by all the other companies. As they have seen that debate unfold to some extent in the newspapers and in the media, they have asked to have a chat with me and some of my colleagues who are interested in the issue. I think that these matters are taken very seriously across the industry.

The Secretary of State for International Development recently made a speech at the London business school about the importance of ideas that Paul Collier, an academic, has reflected on over the years. He wrote a very famous book called "The Bottom Billion" and what he says epitomises the argument that many others have put. He says that we should help these African states, which are potentially very rich in minerals but are very poor otherwise, to benefit from extracting the stuff that is beneath the ground and sometimes beneath the sea. Of course, such countries cannot always do that for themselves and need assistance from outside companies. Standards of governance apply to those companies, both in London, if they are listed in the UK—or in any stock market, for that matter—and in the countries concerned. The transparency with which payments are made is increasingly crucial.

For example, I discovered recently a number of cases in the Congo—I shall not give the names of companies or particular mines—where it seems that a mine may have been expropriated by the Government or may already have been owned by the Government and sold on. The World Bank has an understanding that it will be told the price for which state assets are sold, because that allows us to see how much is actually going back compared with the worth of the asset. It is clear that how much has gone to the treasury from a number of sales in the DRC in the past couple of years has been far from explained. I suspect that it is a very small amount compared with the large sum—hundreds of millions—that has been made available to private entrepreneurs.

The World Bank has an understanding with countries such as the DRC that when assets are sold to mining organisations it is known how much was paid for them. That is not happening in the DRC as far as I can tell at the moment. The UK Government, to their great credit and following on from the Labour Administration, make a very large contribution each year to the DRC and to other developing countries, such as Rwanda next door. The UK Government are doubling the sum at the moment and the Labour Administration ramped up expenditure too, moving towards a figure of 0.7%, but the amount that we give in aid is dwarfed by the amount that is not accounted for when such assets are sold on. It is completely pointless giving aid to a country if we cannot be sure that we are going to get the benefits, because money is simply being extracted from another place by the sale of assets. I hope that both our Administration and the European Commission, which will introduce regulations soon, will look very carefully at that.

3.18 pm

Mel Stride (Central Devon) (Con): I very much welcome this debate and the opportunity to speak about the importance of the growth of business to our economy. In doing so, I should express a personal interest, in that I have a majority holding in a small private company.

The Government have set the stage well for business growth, in that we have at least avoided being where Greece and Ireland are and where Portugal is teetering on the brink of being. Our economy is fundamentally sound and growing. That is happening against a backdrop of our having inherited the worst budget deficit in the G7 and against the more recent headwinds of the spikes in the oil price—it has increased by 60% in the past year—and the eurozone crisis, which we are all facing at the moment. Although some of the Labour Members who are shaking their heads may disagree with that, I am sure we can all agree that if we are to move away from a debt-driven, public sector-reliant economy into manufacturing and exporting, creating private sector jobs will be vital. I welcome the fact that the Government have done that over the past year, creating 500,000.

We must do whatever we can to support business and I welcome the fact that the Government have intervened in a number of critical ways. The first is Project Merlin, which aims to get the largest five banks lending another £190 billion to small and medium-sized businesses. I know from such businesses in my constituency that that is vital and I urge the Government to maintain that progress.

I also welcome what the Government are doing about red tape through the one in, one out rule on regulation, through embracing the recommendations of Lord Young's review, which is extremely important, and through the work done by my hon. Friend the Minister for Further Education, Skills and Lifelong Learning on apprenticeships, on which this Government have a particularly proud track record, much of which is down to the personal commitment that he has shown in this vital area.

I also think that Government should get out of the way of business. It is important that we get taxation on businesses down. Over the next four years, as hon. Members will know, the corporate tax rate will fall by 5%, but that is not good enough. We need to do even more. When our local and national tax rates combined are compared with those of other countries in Europe they show that we are doing pretty well: in Germany, they are at 30%, in France at 34% and we are at 26%. However, when we look further afield, as we must when we consider the competitive pressures of the future, we see that places such as Hong Kong and Singapore have combined rates of 16% to 17%. I urge the Government to keep pressing firmly in that direction.

Let me make two more important points. First, although we have avoided the worst excesses of what Labour planned to do with national insurance, although it is expensive to lower national insurance as it is one of the three great revenue raisers of taxation and although I recognise and applaud the fact that the Government have introduced national insurance holidays in most regions of this country for new business start-ups, we must do more. It is a tax on jobs and we must start to get the figures down.

Secondly, micro-businesses—those that employ 10 or fewer employees—represent 96% of the businesses in this country and employ 700,000 people. We must get the number of onerous regulations for that group down. In particular, we should consider paternity and maternity rights and the idea that employees can leave the work force for 26 weeks or up to 52 weeks-a-year and their jobs must be held open. That needs to be considered and perhaps relaxed for those businesses, and I would welcome the Minister's comments on that.

3.22 pm

Paul Blomfield (Sheffield Central) (Lab): I am pleased to have the opportunity to raise the concerns that have been expressed on both sides of the House about the impact of the Government's plans to reduce funding for English for speakers of other languages courses, plans which undermine the Prime Minister's own vision for community cohesion. Members will remember that earlier this year he said in Prime Minister's questions

"we will be putting in place...tougher rules"

to ensure that

"husbands and wives, particularly from the Indian sub-continent"

do

"learn English, so that...they can be more integrated into our country."—[*Official Report*, 2 February 2011; Vol. 522, c. 856.]

It is deeply irresponsible to talk tough on language skills while removing the opportunities to develop them.

When the Government's decision on ESOL funding was announced in the skills White Paper, the accompanying equality impact assessment said of ESOL that the changes

"should result in a very small overall impact on protected groups."

That is not an assessment that those of us who are familiar with ESOL provision would have made and I welcome the fact that the Minister for Further Education, Skills and Lifelong Learning did not accept that either and commissioned an equality impact assessment.

We have been wanting that impact assessment to be published for quite some time and were assured in the Westminster Hall debate on 3 May that it would be

"published in good time—certainly before the summer recess".—[*Official Report*, 3 May 2011; Vol. 527, c. 211WH.]

I am sure that the Minister would have wished it otherwise, but the assessment was published only yesterday, 24 hours before the start of the recess. Better late than never, but what does it tell us? On gender, nationally 68% of ESOL learners over the age of 19 are women and in my city, Sheffield, the figure is even higher, with 83% of the 3,310 ESOL learners being women. That is a much higher proportion than the 50% of women learners in further education as a whole. On ethnicity, as would be expected a higher proportion of ESOL learners identify themselves as black or minority ethnic than those in FE overall.

In Sheffield, our local college is advertising a 34-week ESOL course, starting in September, at a cost of £715. Contributing half of that sum, as would be expected under the new rules, is simply unaffordable to those who depend on those courses so the college is planning for a "huge drop" —these are the college's words—in numbers. Women who will be affected have written to me and they describe movingly how they rely on ESOL courses to interact with each other, with society and with their children.

I am pleased that the Minister has acknowledged the negative impact, reflected in his Department's own assessment, of the introduction of the changes. I welcome the fact that he is considering, in partnership with the Department for Communities and Local Government and in consultation with the Association of Colleges, ways in which the Government can mitigate that impact. I hope he will explain more about his plans to the House today and, crucially, the timetable for their introduction.

The problem is that the new rules for ESOL funding take effect in just 12 days, so I urge the Minister to give us an assurance that before the start of the new college year he will put in place measures to avert the unfair impact—or, if he cannot do that, as my hon. Friend the Member for Leicester South (Jon Ashworth) said, I hope that he will tell us that the new rules will be put on hold.

3.26 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I want to raise an issue on behalf of my constituent, Mrs Noureen Shah. She is one of several people caught in the same nightmare, and my right hon. Friend the Member for Warley (Mr Spellar) and my hon. Friend the Member for Walsall South (Valerie Vaz) have constituents who are also affected.

Mrs Shah was persuaded in 2006 to invest in the Cube, a development in the Westside district of Birmingham. It includes offices, an hotel and 244 apartments. Mrs Shah paid a deposit of about £65,000—her children's legacy—and like other investors she was told that the properties would be completed in 2008. Gateley solicitors say that that is not the case and, apparently, buried in the large contract is a clause that covers delays. That is just as well, because the building contract was not let until 22 June 2007—two days before the cut-off point—which, not surprisingly, made a 2008 completion date impossible.

Early in 2010, the developers, the Birmingham Development Company, went bust and PricewaterhouseCoopers was called in as the administrator. The company was eventually restructured as Aruna Project LLP. Nearly half the investors cannot raise a mortgage because of the collapse in the value of the properties, but director Neil Edgington of Aruna is not too concerned, telling *Property Week* in April 2011,

"I'm sure some"—

that is, some investors—

"will need more of a nudge than others. Some people will need a bit of encouragement via the legal route".

Such intimidation has been the hallmark ever since. Lloyds TSB claims that it is

"working closely with administrators to ensure all outstanding cases are handled fairly",

but it appears that "fairly" means that the Cube, which started out on the loan book of HBOS, is going to be paid for by bankrupting and evicting from their own homes the small investors who have been foolish enough to believe the sales pitch.

Lloyds and Aruna are now using the solicitors Gateley to threaten those small investors. It is a disgrace, and I would appreciate it if the Secretary of State would agree to have a look at what has happened in this case.

3.29 pm

Nic Dakin (Scunthorpe) (Lab): I declare my interest as a former college principal. As such, I am well aware of the need for local practitioners to make sense of the impact of decisions taken here on real people in the world out there. At least in the skills Minister we have someone who is truly committed to and genuinely cares about learning and learners. Unfortunately, the original decision regarding eligibility for free access to ESOL

[Nic Dakin]

learning was probably taken to make the high level numbers add up, without the consequences being properly thought through.

The Minister's written statement yesterday, however, makes it clear that he intends to take steps to address the shortfall in the equality impact assessment also published yesterday. I welcome this and thank him for contacting me this morning to ensure that I was apprised of the context of both documents.

A reasonable proportion of ESOL learners at North Lindsey college in Scunthorpe are currently working and already pay for their courses, so they will be unaffected by the changes. However, a significant number of North Lindsey's adult ESOL learners, who are in low-skilled, poorly paid jobs in local factories, currently benefit from free tuition, but will not do so in future. Many of the college's ESOL learners are highly motivated parents who learn English in order to help their children with homework and to not be reliant on them to be translators when accessing public services, such as the health clinic. Many of these mainly women learners will not be able to access ESOL and could therefore become isolated, rather than more integrated into our local community.

The Department for Business, Innovation and Skills published the equality impact assessment yesterday, just in the nick of time to deliver the Minister's promise that it would be published before the recess. Paragraph 53 of the assessment indicates that the policy changes

"may have a disproportionate impact on some groups or sub-groups of learners."

Paragraphs 30 and 35 confirm that there are more minority ethnic groups and women studying ESOL than there are among FE students as a whole.

I ask the Minister to consider delaying the removal of fee concessions until a major change in the benefits system—the reclassification of claimants on to employment support allowance—is completed. The Government's target timetable for this change is four years. The delay would allow current ESOL students on income support to remain in free provision, rather than be at considerable risk of dropping out of education for several years.

To ensure that parents are enabled to give the best possible support to their children, the Government might also consider giving all parents with children aged 0 to 7 fee concessions, regardless of their benefit status. This is essential if we want to prepare them to take an active part in their children's education and be ready for work later on. These changes would not impact on Government budgets this year as the funds are already allocated to colleges. It is the restrictions and the changed policy in relation to ESOL that is preventing colleges from meeting those needs.

None the less, like my hon. Friends the Members for Nottingham South (Lilian Greenwood), for Leicester South (Jon Ashworth) and for Sheffield Central (Paul Blomfield), I welcome the Minister's commitment to work with the Department for Communities and Local Government on developing new forms of community-based learning of English and working with the Association of Colleges to determine how best to target funds at settled communities where language barriers prevail. The involvement of Lord Boswell and Baroness Sharp, who are well respected and have much expertise, is also welcome.

3.33 pm

The Lord Commissioner of Her Majesty's Treasury (Mr Brooks Newmark): I begin by thanking the Chief Whip for indulging me this one time by allowing me to speak. As the House is aware, in the Whips Office we take a vow of silence, so I am particularly pleased to be given this opportunity to respond to Members in the area of business, innovation and skills, and to thank everyone for their excellent contributions. I feel a little like Garbo in her first talkie, when the next day's headlines were, "Garbo Talks", although when tomorrow's press reports that "Brooks Talks", I suspect it will not be about my performance at the Dispatch Box.

I thank the Backbench Business Committee for organising today's debate, in particular my hon. Friend the Member for Kettering (Mr Hollobone) for organising the format, which I understand from my hon. Friend the Member for Wellingborough (Mr Bone) is known as the Hollobone format, in which there is a rapid-fire series of short debates and short replies—a sort of political speed-dating, in which the Member raises his or her questions and sees whether or not he or she fancies the relevant Minister's replies. I shall therefore do my best to make the Government as attractive as possible in relation to all the areas covered in the debate.

Before I begin my formal response to hon. Members' contributions, I congratulate the hon. Member for Inverclyde (Mr McKenzie) on his excellent maiden speech, which was delivered with warmth and a deep understanding of the community he represents.

Let me respond first to the hon. Members for Nottingham South (Lilian Greenwood), for Scunthorpe (Nic Dakin), for Sheffield Central (Paul Blomfield) and for Leicester South (Jon Ashworth), all of whom rightly drew attention to the important issue of English provision to speakers of other languages. I know that hon. Members have previously campaigned on this issue and have highlighted the importance of English language provision to members of their respective communities. I am sure that they will agree that, although the ability to speak English is important to ensuring integration, if employers wish to recruit abroad—I address this point particularly to the hon. Members for Nottingham South and for Sheffield Central—they must not expect the state to pick up the cost of teaching their workers English. The reforms will target public funding to those in the greatest need and will ensure that higher standards are set for providers, thereby making ESOL provision work better for learners, employers, and taxpayers.

I am sure that hon. Members will have seen the second impact assessment, and yesterday's written statement by my hon. Friend the Minister for Further Education, Skills and Lifelong Learning, in which he further clarified our policy in this important area. Members will be aware that the Department for Business, Innovation and Skills will work with the Department for Communities and Local Government to formulate a strategy specifically to target vulnerable communities and particularly women and families who rely on community-based English language learning to help them gain access to public services and to communicate with their children's schools. That point has been stressed by all the hon. Members who spoke on this issue. The Government are anxious to ensure that women and families do not lose out on this important provision.

My final point on this issue is that my hon. Friend the Minister for Further Education, Skills and Lifelong Learning has listened to and worked with the Association of Colleges and other key providers to make sure that we make rapid progress in this area—we hope by September when we reconvene—to ensure further and better integration in our communities.

I thank my hon. Friend the Member for Harlow (Robert Halfon), who has demonstrated his lifelong interest in horology and has done much to promote that sector. I particularly appreciate his concerns about horology training facilities in the UK and the need for small, specialist courses, and I agree that we must support specialist British industries such as the watch-making and clock-making industry. I add that, although there is a British watch maker called Newmark, we are not related. My hon. Friend rightly cited the importance of the Government's internship programme, and I assure him that the Government are exploring the opportunities for the craft sector to engage with the apprenticeship programme. I have met my hon. Friend the Minister for Further Education, Skills and Lifelong Learning to discuss this matter, and he will write to my hon. Friend about the progress that the Government are making to boost craft apprenticeships so that Britain will become the international centre of excellence in horology that he so rightly wants it to be.

On regulation, the hon. Member for Falkirk (Eric Joyce) should be commended for his continued focusing of attention on the behaviour of the Eurasian Natural Resources Corporation, which he has mentioned in this place in the past. I particularly thank him for drawing my attention to the need for greater transparency and good governance, especially for companies dealing with developing countries such as the Democratic Republic of the Congo. The Government expect and the law requires all UK directors of companies to adopt high standards of business conduct. We rightly focus on bad behaviour and we certainly do not condone criminal offences such as bribery or phone hacking. We need to help directors and shareholders through a strong system of corporate governance. Overall, the current system works well but needs to evolve continually to meet new challenges.

I thank my hon. Friend the Member for North Swindon (Justin Tomlinson) for highlighting the importance of having a strong town centre and a vibrant community, as well as for continuing to be a strong champion for Swindon and for mentioning the importance of supporting retailers and small businesses in his area. I agree that having a successful and buzzing town centre helps to create and maintain jobs in shops and offices. A vibrant town centre creates a positive image that attracts new businesses and employment. Indeed, we should applaud the work of independent groups such as Forward Swindon and InSwindon which, in conjunction with the local council, have sought to revitalise growth and prosperity in the town centre.

I thank the hon. Member for Birmingham, Selly Oak (Steve McCabe) for focusing on Lloyds TSB and the sale of flats in the Cube in Birmingham, and for highlighting the concerns of Mrs Shah and other small investors. He raised the inability of flat owners to secure mortgages, and I assure him that my right hon. Friend the Chancellor will be made aware of his concerns.

My hon. Friend the Member for Cleethorpes (Martin Vickers) is right to raise the important issue of Tata Steel and the development of north Lincolnshire. He mentioned the importance of renewable industry in Lincolnshire and the need for improved transport links. The pan-Humber local enterprise partnership has focused on strategic opportunities growth based on renewable energy, ports and logistics, and chemicals among other things. The Humber LEP is bidding for an enterprise zone to support the creation of renewable clusters in the area. I shall of course pursue that matter with the relevant Ministers to ensure that the demands of local people and investors can be met. On Tata Steel, the recent meeting between my right hon. Friend the Prime Minister and Members to discuss the issue was cancelled, and will be rearranged, as is the case with a visit by the Secretary of State for Business, Innovation and Skills. The Prime Minister has expressed disappointment at job losses resulting from reductions at Tata Steel, but he is working hard with my right hon. Friend the Secretary of State for Business, Innovation and Skills to bring a taskforce together to ensure that we do everything possible to mitigate the impact on local jobs and communities.

My hon. Friend the Member for Central Devon (Mel Stride) is right to emphasise economic growth. He mentioned the importance of not driving growth with debt, and the need to reduce unnecessary regulation. Growth remains at the centre of the Government's strategy, and the growth review will work throughout this Parliament to address barriers facing industry. The Government's role is to create the conditions conducive to private sector investment and to make long-term choices, not offer short-term fixes. We continue to listen to businesses to understand how to help them.

Finally, on maternity and paternity leave, Government proposals will allow both parents to take an active, caring role while retaining their attachment to the workplace. Our proposals allow more flexibility, because one size does not fit all firms or families. We will work with businesses to help them to adapt to these changes. My hon. Friend made a specific point about national insurance, and I will ensure that my right hon. Friend the Chancellor is made aware of his concerns. Once again, I thank the Backbench Business Committee for arranging this debate, all the speakers for their contributions and wish you, Madam Deputy Speaker, and all Members a relaxing summer break.

Madam Deputy Speaker (Dawn Primarolo): Thank you, Minister. Before we move to the health debate, I remind Members who are taking part that page 5477 of the Order paper states:

> "Members are expected to attend throughout the debate for which they are grouped."

That includes listening to the Minister at the end of the debate, so it is regrettable that some Members who participated in the debate that has just concluded are no longer in the Chamber. I am sure that the Whips will inform them.

HEALTH

3.44 pm

Mark Hendrick (Preston) (Lab/Co-op): There is increasing evidence that the number of people taking part in shisha smoking is on the rise. Hookah pipes have become a regular sight on university campuses, and shisha cafés or bars are springing up across the country. I have seen evidence of this in my own constituency of Preston, and it is particularly true of young people from ethnic minority Asian communities, as shisha smoking is seen as a legitimate social activity compared with drinking alcohol. This is creating a number of issues for both the Government and local authorities. Chief among them is how best to educate smokers about the health risks associated with shisha.

First, what is shisha? To avoid confusion, let us be clear that shisha is the process of smoking tobacco through an ornate water pipe. Tobacco is mixed with fruit or syrup and then wrapped in aluminium foil before being heated by charcoal. The smoker then uses a pipe to breathe in, forcing the smoke through the water, producing bubbles, before it is inhaled. Shisha is also referred to as hookah, hubble-bubble, goza and narghile and is a common pastime in parts of Asia and Africa, where it dates back around four centuries.

There are a number of myths surrounding shisha, the most prevalent of which is the belief that it is either not a danger to your health, or much less serious than smoking cigarettes. This is simply not the case. There is of course variety in what is smoked, but in the majority of cases it is tobacco. The fact that it is flavoured or described as herbal hides the impact it can have. I stress this because reports have suggested that some people do not realise that tobacco is involved and many do not regard the activity to be the same as smoking cigarettes.

In addition, there is a belief that the process of passing the smoke through water filters out many of the harmful chemicals that are released by burning tobacco, but it does not. Shisha smokers expose themselves to nicotine, carbon monoxide, heavy metals and other cancer-causing chemicals, and they do so in much greater quantities than those smoking a cigarette. Research carried out by the World Health Organisation found that the average cigarette involves eight to 12 intakes and produces a total of between 0.5 and 0.6 litres of smoke over a five to seven-minute period. When looking at shisha, it was found that the average smoking session involves between 50 and 200 intakes, producing between 0.15 and 1 litre of smoke per intake, over a 20 to 80-minute period.

The health dangers associated with smoking tobacco are now well established. Shisha smokers expose themselves to the same risks as those who smoke cigarettes. Increased risks of heart disease, cancer and gum disease are all direct consequences of smoking tobacco. As I mentioned at the start of my speech, the increasing popularity of shisha smoking as a social activity is resulting in a number of challenges. How can we effectively regulate shisha cafes and bars to ensure that they comply with the Health Act 2006? How can we ensure that safety is maintained and risks minimised?

In short, Britain is witnessing the emergence of a shisha culture. Young people from a range of backgrounds, but especially those from ethnic minority communities, are taking up shisha smoking. We need to do more to dispel the dangerous myths out there relating to shisha smoking. Today I call upon the Government to instigate a nationwide campaign, similar to that instigated by the Labour Government, to talk about the dangers of this type of smoking.

3.48 pm

Mr Gary Streeter (South West Devon) (Con): Before the House rises for the summer recess, I would like to draw attention to the importance of speech therapy and communication aids for profoundly disabled young people, and to raise a query about care home costs.

I am privileged to have in my constituency, in Ivybridge, the Dame Hannah Rogers Trust, which for over 220 years has provided education, therapy, care and respite for children and young people with profound physical disabilities. It is a genuine centre of excellence and has been rated as outstanding by Ofsted since 2006. A few weeks ago, I attended one of its special assemblies, which was designed to promote a greater understanding of the importance of electronic communication aids for people who have no other way of communicating. A number of dignitaries and members of the press were invited, along with parents and friends of the students.

During the time together at the assembly, we were given a presentation by a young man called Ben, whose sole method of communicating is by pushing a yellow button with his cheek to select certain words and phrases from his computer. In a very powerful presentation lasting about 15 minutes, he sat in his wheelchair in front of the whole assembly and told us, with a large screen behind him to illustrate his computerised words, about his family, his likes and dislikes; about his life. He told us that when we spoke to him we should look at him and not at his carer, and that when we asked him a question we should be patient when waiting for his response. I will never forget those words of guidance.

Ben did something else: he told us a joke—in front of all those people, using just his cheek, his yellow button, and his computer. I was so impressed that I promised him that I would share it with the House of Commons, and here it is: "I say, I say, I say, why did the fish blush?" "I don't know," came the reply, "Why did the fish blush?" "Because he saw the sea weed!" As you can imagine, the assembly dissolved into laughter. I am sure the House agrees that that would be a pretty good joke at any time, in any place, but for it to be delivered by a fine young man facing so many challenges, in a school assembly, with dignitaries and press present, was quite remarkable. I went up to him afterwards and told him that his presentation was awesome. I pay tribute to Ben, to his family and to his carers. I acknowledge the wonderful work done by Nicola Blundell, the speech therapist at the school, and her team, and of course to Dame Hannah Rogers Trust itself for so many years of astonishing service and dedication.

I intend to return to my second issue, which relates to the cost of residential and nursing care, in the autumn, but I wish to put down a marker at this early stage. It was recently drawn to my attention that local authorities are operating one set of charges for residential homes run by themselves and another, much lower, set for care homes run in the independent sector. I have taken these issues up with councils in my area and wish to share my

findings with the House. In one local authority area, the going rate for a person entering one of its council-run care homes is £630 per week, while in independent homes in the same area the going rate is £429 per week—a differential of £200 per person per week. A similar disparity appears in neighbouring authorities.

My immediate reaction was to wonder why it is possible to have such a discrepancy. I have visited many care homes in the private sector and the public sector over the years, as we all have, and I would certainly not say that local authority care homes are necessarily superior. I took up the discrepancy with the council and received an interesting response:

"the £630 per week cost of in house services includes nationally agreed terms and conditions for local authority employees to include pensions, absenteeism, sickness and leave entitlements. This makes it difficult to compare rates with the independent sector."

I do not agree with that. The Minister needs to look into this—no doubt he can do so in his thorough review following the Dilnot report on the costs of residential care—as it is something that possibly needs to be changed.

3.52 pm

Tony Lloyd (Manchester Central) (Lab): The hon. Member for South West Devon (Mr Streeter) makes the House a better place with his story about Ben. I am delighted to follow him on that basis.

I, too, want to talk about care homes, particularly in relation to Southern Cross. The House will know that not so long ago Southern Cross announced its intention to go into liquidation—to cease trading. That means that the 750 Southern Cross homes in this country now face a varied and uncertain future. Some 250 of those homes will pass automatically to landlords who intend to continue to offer care, but that means that the majority of homes, and therefore the majority of residents, are still in a kind of limbo as to what their future is. In my own city of Manchester, where the local authority has already made contact with one of the care home owners who intends to carry on the process of caring for the residents, things are proceeding in a sensible way. However, my local authority has found it difficult to have any dialogue with some of the offshore companies, which are merely rentiers, that own the property in the Southern Cross homes system but seemingly have no interest in pursuing the care packages involved.

Everyone on both sides of the House would agree that the care of the 31,000 elderly people affected should be the paramount consideration. It should not be a question of the profits of these companies. The care element must come first and foremost. A secondary issue, which was mentioned by the hon. Member for South West Devon, is the important employment base involved. These homes do not exist to create employment, but they do have employees who are entitled not only to reasonable working conditions but to some certainty about continuity of employment. However, the primary need must be to give reassurance to the 31,000 care home residents that their future is secure.

In previous exchanges in the House, the Minister has rightly said that the regime that allowed Southern Cross to operate as it did was not the right one, and that people need to look back and accept responsibility for that. I absolutely agree with him.

I would ask the Minister to do two things. First, up and down this land there are people who are genuinely concerned. They want to know that the offshore landlords will not simply take the roofs from over their heads, and that there will be continuity of care. We need an absolute statement that that will be the case. I know that things have progressed with NHP, one of the property owners, and that it made a statement yesterday. We need a much more positive approach that tells people home by home, or residence by residence, that their future is secure, who their landlord will be, and how their care will work.

Looking to the future—the Minister has hinted that he is sympathetic to this—we need a system that locks in a process whereby in all circumstances the needs of the residents, not the needs of the private operator, are the paramount driving force. We must not have the kind of unseemly operation that applied with Southern Cross, where profit was filtered from the homes and some people made an awful lot of money. Those people are long gone, and the people facing uncertainty are the elderly people and their carers. I hope that they are not facing too much uncertainty, and that the Minister can put the uncertainty to rest today. We have to move on, and I hope that the Minister will be able to give some clarification.

3.56 pm

George Freeman (Mid Norfolk) (Con): I am grateful for this opportunity to speak, and for your patience, Madam Deputy Speaker. I apologise if I am unable to be here for the winding-up speech, but I have to be in Westminster Hall at 4.30.

This is an important opportunity to raise issues that are close to our hearts. I want to talk about the potential contribution of the NHS to medical innovation in the life sciences sector and in this country, and to driving economic growth. Before coming to Parliament I had the privilege of working for 15 years in the biomedical industry. It is a subject close to my heart, and I am pleased to have this opportunity to raise it. I draw Members' attention to my declaration in the Register of Members' Financial Interests.

My key message is that because of major changes in biomedicine and the structure of the pharmaceutical industry, including in the disciplines of drug discovery and drug development, the NHS is now one of the most valuable assets in global biomedicine. It is vital that Parliament and the Government support the NHS in unlocking that opportunity, ensure that our NHS reforms recognise and support it, and recognise the global potential of our health care sector and our NHS to drive growth and revenues around the world, which can be reinvested back into our research base.

The life sciences are an important sector in the UK. Some 27,000 people are employed in UK pharmaceutical research and development, and there are 250,000 employees in life sciences-related industries. Employees working in the highest value sectors each generate more than £190,000 in gross value added. We are of course home to GlaxoSmithKline and AstraZeneca, but we also have a range of specialty pharma, biotech, device and diagnostics businesses.

However, there is a problem: the pharmaceutical sector has been a victim of its own success. While research and development spend has doubled in the

[George Freeman]

past 15 years, the rate of success in new chemical entities discovered has fallen by about a third. That crisis is driving a wave of consolidations and restructurings in the industry, some of which we have seen recently, and the rapid closure of some of the older-style, Fordist discovery structures. The increasing trend in biomedical discovery is towards patients and getting back to the places where one can observe disease and watch it taking hold in tissues. The trend is to look at anonymised, consented mass patient data to understand how it is that different patients respond differently to diseases. That is undermining the global pharmaceutical business model. These days, a one-size drug does not fit all. The industry needs to understand why it is that people react in different ways.

As the industry looks around the world for places where it can access large repositories of anonymised, consented patient data that are in the hands of world-leading clinicians and scientists with an ethical regulatory framework, this country and the NHS stand out. This is a massive opportunity for our sector and the NHS to unlock new revenues around the world. The benefits for us are obvious. We can accelerate new medical discovery, cut costs, generate new funds for the NHS and give our sector a position of global leadership. The irony and the challenge is that the NHS itself is an obstacle to the rapid uptake and adoption of some technologies and innovations because of its centralised and bureaucratic budgeting, its lack of empowered and devolved responsibility, difficulties with its reimbursement and procurement structures, which are often dominated by the bigger companies rather than smaller more innovative companies, and problems with career structures for our most innovative scientists.

I know that Ministers and officials at both the Department of Health and the Department for Business, Innovation and Skills are considering this matter. I merely wanted to take this opportunity to highlight how important it is, not just for our medical innovation and health care but for our global growth imperative, for the UK to unlock that potential and ensure that the NHS reforms, far from undermining that important sector, support it.

4 pm

Barbara Keeley (Worsley and Eccles South) (Lab): NHS changes and the drive to achieve efficiency savings are causing a diminution in health services in my constituency. Salford has fewer GPs than the national average, and the Little Hulton ward is in the most deprived 3% of areas for health, yet the Little Hulton walk-in centre, which has served 2,000 people a month, is set to be closed by the primary care trust—a real blow to local people.

Salford PCT has also consulted on ending active case management for people with long-term conditions. Active case management is aimed at co-ordinating health and social care interventions to prevent deterioration, enable the patient to stay at home and avoid an emergency admission. It has had positive benefits for my constituents, and the loss of that support is another blow. Health Ministers say that they are protecting NHS budgets, so can the Minister tell me why my constituents in Salford are losing those vital health services?

GPs in Salford are also in the final year of moving on to practice-based commissioning budgets, which are based on the Department of Health's fair shares toolkit. Two local GPs have alerted me to a problem with the way budgets are calculated. Their practice had 70% of its patients from the most deprived categories, whereas another practice had only 58%, yet the toolkit weighting applied to list size gave an uplift of 9% to the more deprived population's practice but a 21% uplift to the less deprived. We could call that a lottery within a postcode. That calculation means that the practice in the more deprived area is faced with an apparent overspend of £200,000, and that GPs have to re-examine referrals and cancel activity for patients, giving them an increased work load and potentially having an impact on treatment for patients. Will the Minister find out why the toolkit gives a smaller uplift in weighting to a practice serving a more deprived area? As GP practices move on to real budgets, getting those calculations right is vital, as is dealing with the anomaly that I have outlined.

On social care, I welcome the report of the Dilnot commission and the opportunity to deliver a settlement on the funding of care and support. We need to work together across parties to agree a solution based on the report's recommendations, and that work has already started in Parliament. I feel that it must include an acceptance of the report's clear finding that additional public funding is required now for social care. As the Dilnot commission says,

"the impact of the wider local government settlement appears to have meant that additional resources have not found their way to social care budgets",

and

"the current social care system is inadequately funded. People are not receiving the care and support they need and quality of services is likely to suffer".

Social care provision is suffering as councils struggle with the Government's front-loaded cuts of 27% over four years, and research by Age UK has highlighted cuts of 8.4% this year in council spending on older people's social care. The social policy research unit has projected that spending cuts of 6% to 7% would mean that 250,000 older people would lose their services, so cuts greater than that would mean more than 250,000 losing services.

Back in 2005-06, half of all councils provided support to people with "moderate" care needs, but now only 22 councils provide that level of support. In its document "Care in Crisis", Age UK states that there are

"huge discrepancies in the quantity and quality of support offered to older people by different local authorities".

We have to deal with the current crisis as well as working to carry forward the reforms in the Dilnot report.

4.3 pm

Chris Skidmore (Kingswood) (Con): The principle that the national health service should be free at the point of delivery and based on clinical need, regardless of background or wealth, is one that few in the House would disagree with. It is a principle that we are all proud to defend, knowing that there is nothing as important as the health of the nation. We recognise that the NHS is paid for by taxpayers' money and is the result of the hard-earned wages of citizens and taxpayers,

and as citizens we are happy to provide for those in the greatest need—the vulnerable, the elderly, those who cannot care for themselves and those who are dying; we know that one day that fate will be ours, and we hope that the NHS will be there for each of us then.

We also recognise that the NHS must make record efficiency savings over the next four years, savings that will be reinvested in the service so that the NHS can meet another challenge—rising demand and an ageing population, which will put ever greater pressure on health care services. As a result, NHS spending is coming under greater scrutiny than ever before. But in recent years there has been a rise in the number of foreign nationals, ineligible for free care, who have been using NHS services. A recent parliamentary answer that I received on this issue revealed that since 2002-03 the Department has written off, and is no longer seeking to claim back unpaid bills, of nearly £35.4 million. The figures show that last year alone £6.9 million was written off, three times the £2.1 million lost in 2002-03.

It was made clear in the Minister's reply to me that this figure does not include money yet to be collected, or money owed to foundation trusts for which the Department does not hold data. I have now begun to collect these data, which the Department does not keep, as a result of a freedom of information request to each trust. As a result of this, a picture is beginning to form that points to a far deeper problem than perhaps we recognise. So far 31 trusts have responded, stating that they have written off a total of £7.8million. This includes my own local trust, North Bristol NHS Trust, which has written off a total of £1,727,000 since 2003. That is as unacceptable as it is unsustainable.

The problem is not just one of cost. The variation and discrepancy in the collection of data is astounding. It seems that no criteria or framework exists under which one hospital or trust might charge another for its services. As soon as I have a more detailed and complete picture, I shall be happy to share these findings with the Minister.

I know that the Minister and the Department have been actively consulting on the problem of how to deal with the use of NHS services by foreign nationals, and I would welcome an update on the Department's current thinking on how to tackle this issue for the future. We need to expose the reality of the problem, especially at times when the NHS seeks to make savings. We need a comprehensive plan to ensure that local services are not put under pressure by what many are now calling "health tourism". The NHS may be free, but it is not a free-for-all. It is a national health service, not an international health service. Let us do all that we can to ensure that that remains the case.

4.7 pm

Nick Smith (Blaenau Gwent) (Lab): I am pleased to have the opportunity to speak on the critical issue of public health. This time I want to look at the importance of exercise to promote health and well-being. Like many people, I have been alarmed at the rising levels of obesity in the UK and its associated diseases. Treatment of chronic conditions now takes two thirds of the health budget.

The problem is complex. The chair of Public Health Wales, Sir Mansel Aylward, believes people have lost their sense of belonging—once so evident in the south Wales valleys when heavy industries, coal and steel thrived. So he has called for local communities to be made formidable again—a bold ambition.

The latest figures for Wales show that one in three children are overweight. The costs of obesity are huge. If you include the wider cost of days lost from work and out-of-work benefits, they nudge £8 billion. Given the complexity of the problem, we need a much stronger regulatory and policy toolbox. Only 25% of children are getting the recommended 60 to 90 minutes of daily exercise outside school. Nothing can be more fun, or better exercise, than taking a young child to the park. So it is important that we invest in play for young children, and veto charges for playground entry.

Encouraging youngsters to keep active can take patience, good humour and a tailored delivery. Teenage girls sometimes feel that sport at school is a "boy thing", so I applaud the BBC for its recent coverage of the women's football world cup. But if young women do prefer dance, martial arts or yoga, they should be timetabled and encouraged. Swimming is a great way to exercise for all ages, all sizes and both sexes. I therefore regret the coalition's removal of free swimming for under-16s and over-60s—a Labour Olympic legacy initiative.

Buzz Bikes in Blaina, in my constituency, was founded by teenage boys hanging around on their bikes. They received money from the Prince's Trust, which helped them to set up an outdoor cycling club, and now they run a small shop, and repair and hire out bikes too. Funding was given not to improve the boys' health, but rather to keep them out of trouble, but it has been a great boost to their physical health and self-esteem.

Finally, I would like to comment on the need for the elderly to keep active. In my area up and down the country, bowling is a popular pastime enjoyed by all ages. It is a source of physical, social and mental activity. It makes for better neighbourhoods, and opportunities to play should be increased, not jeopardised. I understand that the Government's new obesity strategy should be published soon, and I hope that it will be the subject of a full parliamentary debate. If people of all ages are to become and keep active it is critical that local infrastructure, and play and leisure facilities, be maintained, and that charges be kept low. Many people cannot afford a gym subscription to keep fit, and investing in projects with longer term dividends is always difficult. Nevertheless, if we do not do it the cost to the NHS could be overwhelming.

4.11 pm

Pauline Latham (Mid Derbyshire) (Con): I wish to bring to the attention of the House and particularly the Minister the east midlands cancer drugs fund. The original concept of the fund was to help thousands of extra cancer patients receive treatment if their clinicians believed it would help them. The policy was warmly welcomed by cancer patients and their families. I have had two patients come to my surgeries on different occasions trying to access the life-prolonging drugs Avastin and Rituximab.

Since my election, I have discovered enormous anomalies between different parts of the cancer drugs fund. The East Midlands strategic health authority provides Avastin for the first-line treatment of both metastatic colorectal cancer and renal cell carcinoma, but it will not make

[Pauline Latham]

provision for the use of Avastin as second-line treatment. In fact, it has been rather obstructive in giving us information about what it does. That has turned the life of one of my constituents, who is a cancer patient, into a living nightmare. In order to prolong her life, my constituent, who wishes to remain anonymous, has to date spent more than £50,000 of her own money on funding second-line treatment with Avastin. That included money that she got from taking early retirement. She has also sold many of her possessions, including her car and family heirlooms, to continue her treatment. But now she is running out of things to sell.

The drug costs my constituent £1,600 every three weeks—a sum that most people would find very hard to find—but she is still alive, which she would not be had she not funded it herself. She is living proof of the effectiveness of the drug in second-line treatment. However, if she resided just 12 miles away in Staffordshire, she would fall under the West Midlands SHA, which has confirmed that it provides Avastin—the drug that she so desperately needs to stay alive—for patients on both first and second-line treatments to treat the type of cancer that she is suffering from. However, the East Midlands SHA has not approved any applications for Avastin for second-line treatment of bowel cancer. This lack of consistency across the country is appalling. The Avastin that my constituent has funded herself, when used alongside chemotherapy, has seen her tumour levels drop from 41 to five—so clearly it is working very well. She is naturally infuriated that the east midlands cancer drugs fund is so resistant to funding Avastin for second-line treatment. I cannot understand why it is not looking at the clear medical evidence that she personally presents showing the effectiveness of the drug. She is living evidence that the medicine works, and she needs such help now.

I know of another patient with scleroderma who has been refused Rituximab. Hers is a terminal illness and she is being refused the drug. According to her doctors, she has three years left to live. She was told seven months after she applied that she could not have it, and it takes six months to take effect, so this lady is having enormous difficulty in understanding why she is not allowed it. She has been to London and been told that, yes, people get it there, but she cannot have it in the east midlands. I would therefore like to ask the Minister whether he will see how he can help those two brave individuals, because although I believe in local decision making, the current situation is just not fair, and they are not getting the treatment that they both deserve.

4.15 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I rise to speak briefly in the time available to me about mental health services throughout the country. The Government are quite rightly focusing on mental health; as well as on provision in the acute sector. Their commitment to "No health without mental health" is absolutely right, and the £400 million being put into the early prevention of mental health conditions through talking therapies is an important commitment.

Before I go any further, however, it is worth highlighting how mental health services have historically been something of a Cinderella service in the context of the NHS budget. A good reason why we need reform to get rid of primary care trusts and put medical professionals in charge of service delivery is that mental health services have been particularly targeted for front-line cuts by PCTs over the past few months. For example, Leeds has seen £3.5 million cut from mental health budgets, with Oxford and Buckinghamshire withdrawing all police mental health liaison officers from their services. I am sure that the Minister would agree that mental health services are already under-invested locally throughout the country, and also that such cuts to front-line services are not desirable given the importance of early primary intervention in mental health. Indeed, that is exactly why we need reform to put professionals in charge of the NHS, so that they can deliver the community-focused services that we need.

It is also worth pointing out that nearly half of all adults suffer from depression at some point in their lives. We know that 60% of adults in hostels and the homeless have some form of mental health condition, while 90% of prisoners are estimated to have one too, so there is a big issue. We know that intervening and helping those individuals earlier in the disease process—through exactly the sort of commitments that the Government are making, with their £400 million commitment to talking therapies, and through commitments on a local level throughout the country—would make both a difference to health care economics, by driving down the cost of care for mental health patients later on, and a huge human difference to the patients themselves.

In the time available to me, I want briefly to call on the Minister to reconfirm the Government's commitment to early intervention. We know that too many people are presenting with mental health conditions in the acute sector too late, when they are already in crisis, which is expensive for the NHS and bad for those people. The failure of mental health services has been to become a responsive service, rather than what we need, which is a service focused on patients and developing a properly community-sensitive approach, particularly in isolated rural areas and areas of high population churn, such as the inner-city areas over the river from this place.

I am not going to say much more; there is no time to develop a full argument. What I would like to hear from the Minister—I am sure that he will give us this—is a confirmation of the Government's commitment to one of the key reasons for the NHS reforms that we are putting through, which is that we need much more of a community focus to mental health services, much less reactive mental health services and a much more proactive focus on helping people early on in their condition. Such a service would be good for them and good for the NHS, not only because it would reduce the cost to the taxpayer, but primarily because it would be good for the patient.

4.19 pm

Graham Evans (Weaver Vale) (Con): I really enjoy these pre-recess Adjournment debates, which give us Back Benchers such a useful opportunity to raise issues that otherwise might not get discussed. However, this is a slightly bizarre pre-recess Adjournment debate, given that we shall be back tomorrow to discuss phone hacking.

I want to talk about an issue that is pretty topical, given today's reports about the Government reviewing private finance initiative contracts to save the taxpayer

£1.5 billion. I pay tribute to my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman), who has been a thoughtful and tireless campaigner on the issue. We have all heard stories of the catastrophic mistakes made in relation to PFI that have resulted in astronomical costs to the taxpayer. We should also have a debate about another classic example of Labour's poorly executed attempts to bring the private and public sectors together. I want to talk about private sector contracts with the NHS.

The Cheshire and Merseyside NHS Treatment Centre was located in my constituency, in Runcorn. It was run by private company Interhealth, on a fixed-term, five-year contract between Interhealth and the Department of Health. The contract ended on 31 May, and the terms imposed by the Labour Government mean that the operating contract cannot be renewed. The high-quality care provided at the treatment centre very much fits as part of a modern national health service. The treatment centre is in a new building with high-quality facilities, and it has received excellent patient satisfaction feedback. The centre was also extremely popular locally, as demonstrated by the thousands of constituents who signed a petition opposing its closure.

That shows that, given the right conditions, the private sector can work with the NHS for the benefit of both organisations and the patients. Indeed, I agree with the right hon. Member for Leigh (Andy Burnham), who said when he was Labour's Health Secretary that we should celebrate the role of the private sector in the NHS. Even if orthopaedics do not return to the treatment centre site in Halton Lea, patients are almost certain still to be treated in the private sector under the "any willing provider" guidance.

However, it is essential that any private sector contracts with the NHS are undertaken for the benefit of the taxpayer. Due to Labour's poorly thought-out contracts, treatment centres under private ownership were paid a fixed amount regardless of how many patients they treated. The Runcorn centre did okay, and the local primary care trusts did their best to fill it to capacity, but others paid out millions for operations that were never carried out. Private providers were also paid a premium above the national NHS tariff. This is why I strongly welcome many of the aspects of the coalition's NHS reforms, which will prevent the taxpayer from getting ripped off in bad private sector deals and ensure that patients get better choice and high-quality treatment.

Going back to the local case in Runcorn, the treatment centre building has now reverted to the ownership of NHS Halton and St Helens PCT, which is running a consultation on its future. It is vital that this world-class facility should continue to be used for the benefit of the local area, and I continue to urge my constituents to respond to the consultation to make certain that their voices are heard.

4.22 pm

The Minister of State, Department of Health (Paul Burstow): I should like to start by responding to the hon. Member for Preston (Mark Hendrick), who talked about the impact of shisha water pipes. I entirely agree with his comments about the need to dispel the myths surrounding them. They do endanger health, and it is not the case that they are less harmful than smoking cigarettes. The flavours might hide it, but they can still kill people. The hon. Gentleman was right to bring this matter to the House's attention today. Water pipe use might actually increase exposure to carcinogens by smokers and those exposed to second-hand smoke. The evidence is clear that water pipe usage can increase the risk of cancers of the lung, mouth and bladder. It is also associated with markers of cardiovascular and respiratory diseases and an increased risk of mouth and gum disease.

A number of local councils are already doing work in this area, not least the London borough of Tower Hamlets and Coventry city council, which are implementing enforcement strategies that include information and advice on the health hazards from smoking water pipes. We believe that, as local authorities take on their new public health responsibilities over the next few years in conjunction with Public Health England, they will be well placed to improve awareness of the risks of these practices, and I commend the hon. Gentleman for bringing the matter to the House.

My hon. Friend the Member for South West Devon (Mr Streeter) raised two issues. He highlighted the work of the Hannah Rogers Trust on speech and language therapy, and I can tell him that Health Ministers have been working closely with their Education colleagues on the production of the Green Paper on special educational needs that was published earlier this year. We are now looking at the results of the consultation. He included a well-delivered joke from Ben in his speech, which demonstrated compellingly the importance of ensuring that people have access to appropriate communications technologies, so that they can fully express their views, wishes and feelings and live full lives.

My hon. Friend talked about the differential fee levels that are paid—on the basis, it seems, of ownership rather than anything else. The Government have set their face against that when it comes to the NHS. My hon. Friend rightly raised some issues that need to be looked at. Particularly when local authorities are facing resource difficulties, they need to look challengingly at how they use resources to ensure that they deliver quality, while also delivering value for money for the taxpayer. In that regard, we will certainly look at such issues as part of the work we are doing on the White Paper.

That brings me to the hon. Member for Manchester Central (Tony Lloyd) and his questions about Southern Cross. Here, too, we have work in hand around the need to reform social care in England to make sure that it is genuinely fit for the 21st century. Earlier today, I laid before Parliament a written ministerial statement to update hon. Members on further developments in the restructuring of Southern Cross. The Government's overriding concern is and remains the welfare and safety of the 31,000 residents in Southern Cross care homes. Whatever the outcomes of the restructuring processes to which the hon. Gentleman referred, no one will find themselves homeless or without care. We expect Southern Cross, its landlords and lenders to continue to work together to secure a consensual, solvent restructuring of the business that meets their collective responsibilities to secure the welfare and care of residents.

My officials continue to maintain close contact with Southern Cross, its senior management, lenders and landlords. We continue to stress to them the need for timely announcements of the sort we saw from NHP

[Paul Burstow]

yesterday about who will be taking on the operation of homes as we go forward. We need the necessary work to be done by the Care Quality Commission to ensure that the operators meet the necessary standards to be able to operate these homes in the first place. I entirely understand the concerns of hon. Members of all parties about this matter. That is why I have undertaken to keep Members informed while we are in recess. I will do just that as matters progress.

My hon. Friend the Member for Mid Norfolk (George Freeman) raised issues about the NHS's contribution to economic growth. As he rightly says, the NHS has huge potential for supporting UK innovation and research. We are increasing investment in health research by more than 8% in real terms over the next four years. That includes the £775 million that we are providing to promote translational research and development through biomedical research centres and units, and an additional £220 million for the construction of the Francis Crick Institute. My hon. Friend is right to say that we are, in a way, passing from the era of industrialised medicine into one of personalised medicine; that will certainly transform these things.

The Health and Social Care Bill, which has been the subject of much of my life over the past few months, includes measures to place duties on commissioners to promote and drive forward innovation and research. We think that that is a crucial way of unlocking the potential of the NHS to secure for patients the full benefit of research in that regard.

The hon. Member for Worsley and Eccles South (Barbara Keeley) talked about social care funding and resource allocation in the NHS. She will know that in last year's spending review, the Government identified the need to support the fragile social care system that they inherited. That is why by 2014-15 an additional £2 billion of support will be going into social care. In fact, over the next four years, £7.2 billion extra—over and above what was committed previously—is going into social care.

We recognise that local authorities have to make tough decisions, but some of them ought to be about ensuring real efficiency in the way social care services are delivered. That means looking at things like telecare and reablement, and looking critically, as my hon. Friend the Member for South West Devon said, at the way local authorities procure the services they provide for people in need. I think I need to write to the hon. Lady in more detail about the questions she posed about the working of the fair shares toolkit in active case management and the Little Hulton walk-in centre. I will write to her about that.

The hon. Member for Kingswood (Chris Skidmore) raised issues about foreign nationals' use of the NHS. While we have a clear entitlement to a free NHS based on current residency in the UK, it is not based on nationality. There are exemptions for some categories of visitor, which are set out in the arrangements that have been in place since the 1980s. I commend the hon. Gentleman's research, and, along with my ministerial colleagues, I look forward to seeing the results of his freedom of information requests. As he said, the Government announced back in March that we would conduct a fundamental review of current rules and practices. That work is just beginning, and I am sure that the hon. Gentleman will contribute to it.

The hon. Member for Blaenau Gwent (Nick Smith)—I apologise for my mispronunciation of his constituency—made a compelling case for the benefits of exercise. We know that the taking of more exercise is linked to a reduction in the risk factors connected with coronary heart disease, strokes, type 2 diabetes, cancer, obesity, musculoskeletal conditions, and much more besides. Some of the issues raised by the hon. Gentleman should be addressed to the devolved Administration in Cardiff, but the Government remain aware that a cross-Government approach is needed to issues that involve transport, planning and housing if we are to secure the public health dividends that we need to see.

My hon. Friend the Member for Mid Derbyshire (Pauline Latham) raised an important point. Notwithstanding the success of the cancer drugs fund, which has already delivered relief to 2,500 patients, it seems that the situation is different in her local strategic health authority in the east midlands. I will look into the matter carefully, and will seek explanations for the difference. I shall also want to be assured that these processes are genuinely transparent, so that justice is seen to be done and people can gain access to the benefits of the fund.

My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) talked about mental health. In February, my right hon. Friend the Deputy Prime Minister and I launched "No health without mental health", a cross-Government strategy. I believe that our "life course" approach sends the clear and powerful message that prevention and early intervention are key mental health priorities for the Government. The strategy also recognises the critical interdependencies between physical and mental health. The bulk of the strategy will have to be delivered by experts on the ground working with service users and their families and carers, but the Government are absolutely committed to integrated services. On the day on which I have launched the consultation on our new suicide prevention strategy, I should make clear the need for us to ensure that we no longer have a health service that patches people up physically while leaving them struggling mentally.

We must tackle stigma. Given that one in four of us in this country suffer from mental health problems, this is not about "them and us"; it is about all of us. We need parity of esteem between physical and mental health services, and that is a task for commissioners as well as those who provide services.

My hon. Friend the Member for Weaver Vale (Graham Evans) raised the subject of the independent treatment centre in his constituency, and the consultation that is currently under way. I will certainly undertake to look at the report of that consultation. My hon. Friend rightly raised some of the downsides of "one size fits all" contracting, which cost the taxpayer large sums under the last Administration without delivering any benefit for patients.

This has been a good debate. I will look again at the contributions made by all Members, and if I have not responded to all their points, I will write to individual Members about those points. Let me end by wishing all Members and Officers of the House a healthy, productive and refreshing recess.

Barbara Keeley: On a point of order, Madam Deputy Speaker. The Minister has just replied to the debate very fully, and I thank him for responding to my points and those raised by other Members. A while ago, however, his hon. Friend the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), was answering a debate in Westminster Hall, ran out of time, and said what Ministers frequently say: "I will respond later to the points with which I have not managed to deal today." I have received no replies to the questions that I raised on that occasion, and I wonder if you can advise me, Madam Deputy Speaker, on what we can do when Ministers make pledges of that kind and do not follow them up.

Madam Deputy Speaker (Dawn Primarolo): That is not a point of order for the Chair. However, the hon. Lady has taken the opportunity to make the point directly to the Minister. I am sure that he has heard what she has said, and that he fully intends to reply to the points that have not been dealt with today.

Paul Burstow: I entirely take the hon. Lady's point. I will certainly ensure that I respond to the questions that I did not cover in the debate, and I will ask colleagues in the Department what has happened to the replies to the hon. Lady's earlier questions.

Madam Deputy Speaker: I am grateful for the Minister's assistance.

COMMUNITITES AND LOCAL GOVERNMENT

4.35 pm

Dr Julian Huppert (Cambridge) (LD): It is a great pleasure to be able to speak in this debate. I have chosen to speak about an issue that, although it is of great importance in my constituency, is not just a local, parochial issue. Rather, it should concern all of us, because if we do nothing about it, we risk losing a large part of what makes the places we represent unique.

The health and diversity of our town centres and high streets are at risk. They are increasingly dominated by chain stores and businesses that have a national profile. This is now so much the case that it is often difficult to tell different places apart when we go shopping. The phenomenon has been dubbed the "clone town" by the New Economics Foundation.

We are fortunate in Cambridge to have several streets that buck the trend of the "clone town". One road in particular, Mill road, has been renowned for decades for its vibrant mix of independent shops and restaurants from all around the world, yet not even Mill road is immune to the danger of slowly becoming another "clone street". A couple of years ago there was a major campaign to prevent Tesco from having one of its express stores there which, sadly, failed. It became Tesco's 14th store in Cambridge—there are now 15 in Cambridge—and now Sainsbury's wants to open one of its express stores further down the road.

I do not want to criticise these businesses. They are successful British companies that employ a large number of people, and they did not get where they are by missing opportunities to expand. It is entirely reasonable for them to want to acquire new locations, sell more products and make more profit, but they do cause harm. They drive other shops out of business, employing a range of tactics.

Madam Deputy Speaker (Dawn Primarolo): Order. May I help the hon. Gentleman? The clock is not ticking down. When he resumes his speech, he will have two more minutes, which will mean he has had his four, without my intervention being counted, of course.

Dr Huppert: Thank you, Madam Deputy Speaker. I shall do my best to comply.

Such chain stores drive other shops out of business, and we need to have some tools available to limit their growth. Local people should be able to find an appropriate balance between the convenience of the familiar and the excitement of the eclectic.

This has been a live issue for a number of years, and Cambridge city council has worked with the Local Government Association and Lord Greaves to table an amendment to the Localism Bill in the other place. This amendment—153AKC, according to the other place's rather opaque numbering and lettering system—has become known in some circles as "the Cambridge amendment" because of the key work done by Sian Reid, leader of Cambridge city council. It sets out in simple steps how we can give local communities the tools they need. Put simply, the amendment adds to the duties of a local planning authority the requirement to assess the vitality and diversity of local shopping areas.

[Dr Huppert]

It does not bar specific companies; it does not set targets for the number of independent retailers; it would not, in itself, have any bearing on the current make-up of our high streets; but it would give local communities such as Cambridge the freedom to decide whether a planning application will add to, or detract from, the vitality and diversity of the area. In some areas of the country a Tesco store may increase the viability of the high street, whereas in others, such as Cambridge, it would decrease it. Communities will get the decision they want.

It was clear in the debate on the amendment in the other place that many people shared the concerns I have set out. The question is: what can, or should, be done about it? This does, of course, require people to vote with their feet as well, but I hope that Members on both sides of the House will agree that giving local authorities the right tools to strike the right balance is desirable, and I also hope that the Government will support the Cambridge amendment and allow communities around the country to have more say on their high streets, such as Mill road.

4.38 pm

Andrew Stephenson (Pendle) (Con): On 14 June I led a Westminster Hall debate on the effect of property regulations on holiday lettings. In that debate, I urged the Department for Communities and Local Government to look again at the effect that changes to property regulations would have on holiday lettings and domestic tourism. The key regulation I talked about relates to the fact that as of 30 June new rules, introduced by DCLG, came into force requiring the owners of holiday lettings to obtain an energy performance certificate, or EPC. That is being defended as a European Union requirement when it is not being adopted by any other European country. This will force an unnecessary, costly, pointless and, I believe, legally questionable burden on holiday lettings, doing damage to British tourism in my constituency and many others.

In my Westminster Hall debate, I examined a range of possible reasons for this change and discounted each in turn, concluding that the only possible justification could be that this is being demanded by Europe. However, as I pointed out, it is not being implemented by any other European Union country. In response to my concerns, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell), made a number of points. In reply to my assertion that England and Wales would be the only countries enforcing this, I was told that it was already a requirement in Scotland. However, I would like to make him aware that the regulations in Scotland are somewhat different from those being imposed by his Department in England and Wales.

An answer from the Directorate for The Built Environment in Scotland states that EPCs are not required for holiday lettings unless the property is let to the same person for more than 12 weeks. The advice is clarified by the Building Standards Agency in Scotland, which also says:

> "An EPC is not required for a property sold for the purpose of a holiday",

so the regulations in Scotland are very different from those in England and Wales. Very few people rent a holiday property for 12 weeks of the year and if this rule was applied to England and Wales, the number of holiday lets requiring an EPC would fall dramatically.

On the way in which other European countries are implementing the directive, the Minister went on to say:

> "My hon. Friend produced some information about what France had done, and referred to the fact that a provider of holiday lets in his constituency had evidence from a much wider field around Europe. I hope that he will accept, as a glimmer of light, that the very first thing I shall do after the debate is seek whatever validation we can for those two pieces of evidence. We do not want providers in England to be at a disadvantage to other European countries simply because we have taken too robust a view of how the directive should be interpreted."—[*Official Report*, 14 June 2011; Vol. 529, c. 236WH.]

I welcomed that commitment from my hon. Friend. I know that he is not due to give the response today, but I wonder whether the Minister who is present has received validation on the two points. I ask because in addition to the much more sensible interpretation in Scotland, my research still indicates that EPCs are not required for holiday lets in France, Denmark, Sweden or Germany. Given that, it seems likely that they are not required in other European countries.

That brings me on to the question of who we class as a "tenant". During the debate on 14 June, the Under-Secretary made the point that the way in which the DCLG was interpreting the European directive was that people renting the cottages in this country were "tenants". That view has been robustly rejected by the English Association of Self Catering Operators, which has obtained a 16-page Queen's counsel's opinion on this matter.

In conclusion, my intention all along has been to help Ministers to reduce the burden of red tape on small business. I feel that they have done a good job so far, but with these new regulations they are going in the wrong direction. I ask the Minister to reconsider them.

4.42 pm

Duncan Hames (Chippenham) (LD): I am most fortunate to live in a beautiful part of the country and to represent my neighbours, as they are my constituents. They enjoy communities with access to the countryside, from which so many of them benefit. Although I am sure that there is much to commend in other places such as Swindon—I am sure that other Members have commended them in this debate—the fact is that my constituents chose not to live in Swindon but to live in the market towns, villages and countryside of Wiltshire and they wish to keep them that way. It is therefore with some alarm that they hear of the Government's determination to assume a presumption in favour of sustainable development. That is not because my constituents do not believe in sustainable development—far from it; it is because they do not have confidence that the Government will be sufficiently rigorous in imposing the test of sustainability in respect of development which may be permitted.

It was thus with some relief that I read in the natural environment White Paper of the Government's enthusiasm for a new designation of "green areas" in the planning system. In addition, the Minister of State, Department for Communities and Local Government, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), gave me a commitment on 20 June that they would seize

on that definition in the planning system through the use of neighbourhood plans, and I wish to focus my remarks on them this afternoon.

It seems to me that the way that neighbourhood plans work in the planning process is essential to their effectiveness. In Wiltshire, we are watching our council embark on consultation for a 15-year core strategy on a local development framework. In many cases, it is consulting on proposals that my constituents do not consider to be sustainable development. Ultimately, the decision about that plan will be made by just under 100 councillors from across the county—yet the Government believe in empowering communities through neighbourhood plans, adopted with the support of local referendums, to set the direction for the future of where they live.

I want the Department to address some important questions and I hope that the hon. Member for North Herefordshire (Bill Wiggin), the Whip answering the debate, will be able to speak about them this afternoon. The requirement is that a neighbourhood plan should be in general conformity with the local development framework and it is important that we understand exactly what the Government mean by that. In the old planning policy statement 12, the definition of general conformity began:

"The test is of general conformity and not conformity."

The key to that definition is that it should be possible for a neighbourhood plan to conflict in some way with land allocations that have already been set aside in a core strategy or local plan, so long as the general thrust of development can be achieved, perhaps by bringing other land into use.

Who is to judge whether a neighbourhood plan is in "general conformity" with the local plan? I hope it is not the local authority, because if such bodies are the ones to judge they will effectively exercise a veto over neighbourhood plans. I hope that the Department will issue some guidance on this point. Once land is allocated in a core strategy, is it then unassailable for development?

In conclusion, giving local people a meaningful say in the development of their communities is, I believe, an excellent idea. I am keen to ensure that the details are thought through so that not only are their voices, including those of "Save Lacock" and of Chippenham's community, heard but they are truly empowered.

4.46 pm

Richard Graham (Gloucester) (Con): I am delighted to participate in today's debate. I want to talk about the recent National Audit Office report on fire control centres and the lessons learned. The FiReControl project was introduced to replace 46 local control rooms around the country with a network of nine purpose-built regional control centres using a national computer system. In many ways, on the face of it, Members might have thought that that was a good idea, but the NAO's report describes the plan as "flawed from the outset", with "unrealistic estimates of costs", an under-appreciation of the complexity of IT involved, hurriedly implemented and "poorly managed", and concluded that at least £469 million will have been wasted.

As many Members will know, the project was doomed to failure but was sadly continued with for a very long time. It is of particular sadness to the people of Gloucester, my constituency, that the tri-service centre—a centre combining police, fire and rescue and ambulance services, which was a model of its kind when it was created only a few years ago and which performed strikingly well during the 2007 floods—was to be replaced by a regionalised fire control centre at Taunton. Despite that sadness and the irony of the then Minister with responsibility for fire services having been my predecessor, I want to discuss the lessons that can be learned from that botched project. There are four particular aspects that I would like the Minister to consider.

The first lesson concerns the plan for regionalisation. Over the past 13 years, we have seen a series of attempts to regionalise our country. That was particularly the case in my constituency with the attempt to regionalise the Gloucestershire constabulary and then the fire control centres. I hope this Government will never again try to regionalise services that are best delivered locally through the long-established shires, cities and districts of our nation.

The second lesson concerns large IT projects, a lesson that has surely been learned time and again by Governments, at least over the past quarter of a century. When IT projects are large and complex, they tend to be beyond the hopes and expectations of Ministers, Departments and the companies implementing them. I hope that our Government will look closely at the issue as we take forward important new projects, such as the single universal benefit.

The third lesson that the Government will want to study concerns project management, which bedevilled the previous Government in relation to Building Schools for the Future, the rising costs of architects' and consultants' fees, and the unnecessarily complex procurement mechanisms and processes. In the case of the regional fire control centres, project management was a skill sadly lacking at the top of Government. Again, as this Government look at reducing costs, taking out waste and making government more efficient, I hope we will focus on the most effective project management skills available.

The final lesson in this unhappy saga comes from the role of the Select Committees. It is still not clear to me whether the Communities and Local Government Committee of that time, over the 10 years of the project, firmly identified to Government the error of their ways by pointing out the likely problems at the beginning, where—

Madam Deputy Speaker (Dawn Primarolo): Order.

4.51 pm

Bill Wiggin (North Herefordshire) (Con): I was privileged to be here earlier, and I congratulate the hon. Member for Inverclyde (Mr McKenzie) on his maiden speech.

I am sorry that the hon. Member for North West Durham (Pat Glass), who was due to speak, has not managed to get here, which is a great shame.

I shall deal with the speeches in the order in which they appear on the Order Paper—

Madam Deputy Speaker (Dawn Primarolo): Order. I should inform the hon. Gentleman that the hon. Member for North West Durham (Pat Glass) withdrew and is not required to explain why.

Bill Wiggin: It is a great shame none the less, but thank you, Madam Deputy Speaker.

My hon. Friend the Member for Gloucester (Richard Graham) spoke about the National Audit Office report on FiReControl and the lessons learned from that disastrous project. I can assure him that the Government will not repeat the mistakes of the previous Administration—mistakes that led, as he rightly pointed out, to £469 million of taxpayers' money being wasted on an over-complex, centrally imposed solution that was not proportionate to the risks faced and failed to engage with the fire and rescue services. When it was clear that the main contractor, Cassidian, could not deliver the IT system within an acceptable time frame, we had no option but to close the project down last December. We were not going to commit any more resources with no certainty of delivery.

Following the closure we made it clear immediately that we would not impose a central solution. There would be no large-scale national IT systems with such a long lead-in time that the pace of change overtook the promised advantages. Last week the Department for Communities and Local Government launched a new £83 million scheme that builds on locally determined solutions and encourages collaboration and innovation. Every fire and rescue authority can apply—for up to £1.8 million, as a guide—to improve the efficiency of its fire and rescue control services. This will cover the installation of Firelink interfaces to give enhanced voice and data services, which is the priority for most in the sector, according to the Department's recent consultation.

Through sharing these interfaces, fire and rescue authorities can use the funding for further enhancements that improve the service that they provide for their communities and for firefighters. In addition, we have put aside a further £1.8 million for sector-led initiatives that will deliver benefits to all fire and rescue services. For example, in the recent consultation many responses from the sector emphasised the need for common standards. These would underpin collaboration and interoperability between fire and rescue services, facilitating improved overload and fall-back arrangements. The Chief Fire Officers Association has already indicated its intention to apply.

That brings me to another lesson learned. We have taken careful account of the consultation responses and we are working closely on both the political and the operational sides of the fire and rescue sector. The Department is grateful to the Chief Fire Officers Association and the Local Government Group for their help in developing the new scheme and agreeing to be part of the oversight measures.

My hon. Friend the Member for Pendle (Andrew Stephenson) spoke about the effect of property regulation on holiday lettings. This Government are committed to being the greenest Government ever and improving energy performance by encouraging energy performance certificates, like those that one sees on white goods, showing an A to G range, depending on how energy-efficient they are. We want that process to take place for every building; in this case an EPC is required for the construction, sale or rent of a building. The EPC shows how energy-efficient the property is and includes recommendations about how to improve energy efficiency.

The Government recognise that this issue is important to holiday home owners and creates a problem for that industry. We do not want to impose unnecessary burdens on the industry or to gold-plate this directive, and we are seeking to establish why it has been interpreted in the way it has. We are also prepared to seek further legal advice to ensure that we are not going beyond the minimum requirements imposed by the directive. I have investigated this and it seems to be a classic case of gold-plating. We have made inquiries to establish the position in other European Union countries and it seems that, as my hon. Friend said, EPCs are not required for holiday lets in a number of other member states, including Germany, Sweden and Denmark—he also mentioned France and Scotland. It gives me great pleasure to tell the House that we should have a clearly defined position on this within the next few weeks.

On the issue raised by the hon. Member for Cambridge (Dr Huppert), I think we all agree that there is tremendous value in having a prosperous and diverse high street for all the community. Mill road is undoubtedly an area of local importance and value, and reads extremely well on the internet. Town centres are key to sustainable growth and local prosperity and are at the heart of our neighbourhoods, giving communities easier access to shops and services. The Government gave a clear commitment in the debates on the Localism Bill, most recently on 12 July, and as part of the Budget, that we will put town centres first for new retail development. We will set out planning policies on retail to support competitive town centres through the new national planning policy framework and we are determined to give local communities greater power to shape their areas and to be clear about the balance of uses they want in town centres. We are legislating to introduce new local level neighbourhood plans to give local people greater control over the future of places that are important to them.

Neighbourhood plans are a positive planning tool that will have real weight in the planning process, but we must be clear about what planning can and cannot do. Planning policy on town centres is not pro or anti-supermarkets and it cannot seek to restrict lawful competition between retailers. It is and always has been blind to the issue of who the operator of a retail proposal would be—whether a supermarket or an independent. We want the right scale and type of development in the right location to meet people's shopping needs. That is what planning policy can support local councils in achieving in a more practical manner than by legislation. Local neighbourhood plans and low rates for small businesses should help in encouraging new shops and businesses so that we do not lack variety—the hon. Member for Cambridge referred to clone towns—in our high streets.

The hon. Member for Chippenham (Duncan Hames) also raised this issue. The Government believe that planning is most effective when local residents, businesses and civic leaders are in the driving seat of planning for their areas and when they can deliver the development they want to see. Neighbourhood planning is a radical new right being introduced by the Localism Bill. It enables communities to shape their local areas in a manner that can respond to local needs and ambitions and is part of our reforms to ensure that the planning system delivers sustainable economic growth and should be used to shape, rather than prevent, development.

Neighbourhood plans and orders are prepared by the local community and can be used in a flexible manner to suit local circumstances. They will result in better,

more effective and more locally responsive decisions that will deliver an overall increase in sustainable growth and will change people's attitudes to development. They will become an important part of the planning toolbox, while existing planning tools will remain entirely open to communities and local authorities working in partnership. The hon. Member for Chippenham asked who will decide. Local councils will have an important role in helping communities to produce plans or orders through a duty to support, and an independent qualified person and the local planning authority will check plans and orders to make sure that they are legally compliant and take account of wider policy considerations.

I shall touch briefly on the national planning policy framework, which will consolidate more than 1,000 pages of planning policy documents into a single, streamlined document. The framework will be strong where it needs to be, and it will include policies that support the Government's priorities for economic growth and infrastructure. It will also set out the Government's priorities for environmentally and socially sustainable development. The policies will provide local communities with the tools that they need to protect the environmental and cultural landscapes that people value so much. It will make a presumption in favour of sustainable development, and a working draft was released in June. We have made a commitment to publishing the framework for full public consideration and consultation in July. It is a privilege to answer hon. Members' questions, and I am sure that the whole House will join me in wanting to wish Daphne Neill a speedy recovery.

DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

5 pm

Dr Alan Whitehead (Southampton, Test) (Lab): Approximately 7.5 million to 8 million tonnes of waste wood is produced every year. It is mostly construction waste, and the greater part—some 80%—is landfilled, which is a far higher proportion than for other waste items. About 1.2 million tonnes is recycled and reused for animal bedding, plywood, fibreboard and so on, but energy is recovered from only about 0.3 million tonnes or 4% of the total. However, according to Eunomia Research & Consulting, a net estimated saving of 1,400 kg of CO_2 per tonne of wood can be made where waste wood is used as fuel for biomass energy. If waste food in landfill was sent to digestion with wood to energy recovery, the joint product would be about 42 TW of energy a year, or getting on for a fifth of our renewable energy target, by 2020.

The benefits of diverting wood and indeed other categories of waste from landfill are clear and straightforward. Despite the strides that have been taken to reduce landfill as a destination for our waste, we still have a long way to go, and for some waste streams, as I have illustrated, almost the whole distance. So how might we get moving on this diversion? There have been suggestions that such wastes should simply be banned from landfill. That is what a number of countries do, and that in itself stimulates substantially the sort of use that I have outlined. That appears to be the Government's intention, because in the waste review 2011 they stated:

> "As a starting point, in 2012 we will consult on whether to introduce a restriction on the landfilling of wood waste...Building on this we will review the case for restrictions on sending other materials to landfill over the course of the Parliament".

That is encouraging until we recognise that that is exactly where we were in 2009. The 2009 renewable energy strategy stated that the Government would consult later that year on banning certain kinds of material from landfill. In March 2010, the Department for Environment, Food and Rural Affairs did indeed produce such a consultation with a view to banning a number of wastes from landfill. That consultation set out an EU target that by 2020 a minimum of 70% by weight of non-hazardous construction and demolition waste should be prepared for reuse, or should be recycled or recovered. We have a long way to go on that target.

The results of the consultation were "published"—I say that advisedly—in September of last year. Hon. Members will have to work very hard to find them because, astonishingly, they were published straight to DEFRA's archive, and I am not sure that that counts as publication at all. Fortunately, the Welsh Assembly Government published the responses to their part of the consultation on their website, and hon. Members can access the results there. I suppose that it is not surprising that the consultation responses were smuggled out and filed away so abruptly, because a landfill ban was supported by over two thirds of consultees. However, the Government's response was that they were

> "not minded to introduce landfill bans in England at the present time"

but would reach a view on the best way to ensure waste was dealt with in the most appropriate way as part of the waste policy review that was announced by Secretary of State earlier this year.

[Dr Alan Whitehead]

Yes, Madam Deputy Speaker, that waste review was under way at the same time as the consultation, following which the Government decided to consult on a landfill ban of wood followed by other waste, with a view to banning them between 2012 and 2015.

If a consultation had taken place, why have another one? And why did the Government say that they were not minded to introduce a landfill ban if they might do so just a few months later? Why hide the results of such a consultation from public view at a time when they were consulting on something very similar? If we really wanted to make progress on such a ban—and I think the case for doing so is overwhelming—would it not be easier to note the consultation results and get on with it? I fear that I am missing something, but I hope that when the Minister responds to the debate he will be able to put me right. At the very least, I hope that he can restore the results of the consultation to the DEFRA website so that we can all see what has transpired, then perhaps get on with it substantially before 2015.

Mr Deputy Speaker (Mr Nigel Evans): I call Chris Kelly—as long as you do not call me Madam Deputy Speaker.

5.5 pm

Chris Kelly (Dudley South) (Con): Thank you, Mr Deputy Speaker, for calling me to speak in this pre-recess Adjournment debate. We have a problem in Dudley borough: the number of roaming horses that residents have to put up with, particularly in the Brierley Hill, Brockmore and Pensnett, and Wordsley wards in my constituency. The problem of roaming horses is now so widespread that residents have set up an action group, Dudley Borough Against Roaming Horses, with nearly 600 people having signed up to the group's Facebook page—not quite as many as the 1,500 members of my Facebook group.

The problem of roaming horses has been widely reported elsewhere in the country. Indeed, the Highways Agency reported in 2009 that more than 200 stray horses are removed from its roads across the country every year. It might be helpful to highlight the fact that the methods used to address the problem vary by type of land, depending on whether it is highway, public land or private property. Public authorities appear to interpret the rules differently, as do third-party organisations. I will concentrate on the actions of my local authority, Dudley metropolitan borough council, later in my remarks.

The Department for Environment, Food and Rural Affairs cites three pieces of legislation that can be used to remove roaming horses: the Animals Act 1971, the Highways Act 1980 and the Animal Welfare Act 2006. Other organisations advocate the use of other legislation or regulations to address the problem, including section 24 of the Town Police Clauses Act 1847.

Having researched the problem on behalf of my residents, it quickly became clear to me that different councils appear to be deploying different legal approaches. For example, Cardiff council has used antisocial behaviour orders to punish the owners of stray horses, and my own local authority has used section 24 of the 1847 Act, which states that officers are permitted to seize cattle, including horses, found on the highways. I commend Dudley metropolitan borough council for the innovative way it is trying to tackle this costly and worrying problem. I support the council, West Midlands police and the Highways Agency in using any of the methods at their disposal to protect the taxpayers of my borough and safeguard the welfare of these poor creatures, which is an issue I will return to.

There is a long tradition of horse ownership in the black country, and there are many responsible owners who legitimately graze animals and whose horses are legally insured, passported and chipped. There is also a long history of less responsible horse owners, who often tether their horses on council land so as to avoid grazing charges and food costs. Their horses are normally secured with chains and moved from site to site to feed, which is known as "fly-grazing". I do not think that any of the owners of these tethered horses in my constituency have received or read DEFRA's code on tethering, which has been available on its website since March.

The amount of grazing land in the borough is limited, and I am told that the council's current waiting list exceeds 200, with little likelihood of many on the list ever obtaining grazing space. The council does have the opportunity to develop more grazing fields, but horses can be powerful animals and there would need to be significant investment in new fencing and infrastructure to release the fields for use.

The problem of stray horses and illegal grazing has been a long-standing problem in the borough. In the latter part of 2010 and early 2011 the number of stray and illegally grazing horses reported to the council increased, which in turn raised considerable concern within local communities. The cause of the problem was irresponsible horse owners abandoning their horses on open land with no regard to the potential danger to their animals or the public. Inevitably, these animals strayed while looking for food and water and got on to the local road network, causing significant upheaval.

Today I call for clear guidance to be placed on the LocalGov.co.uk website, based on best practice from across the country on how to tackle the issue, and for advice to be placed on Direct.gov.uk to advise people in my borough and across the country.

5.9 pm

Jim Shannon (Strangford) (DUP): I wish to speak about something that is a great boost for the countryside—rural country sports and the benefits that they bring to the countryside and to the economy. In the time it takes me to load two cartridges into my over and under shotgun and shoot the pheasant on the far side of the Chamber, my time will be up because I have only four minutes.

Eighty thousand people participate in country sports in Northern Ireland, contributing £45 million to the local economy in the past year. Some 480,000 people are involved in country sports across the whole of the United Kingdom, with the equivalent of some 70,000 jobs in primary and secondary roles. They contribute some £2 billion each year in goods and services and some £6 billion in the whole UK economy. The role of country sports is critical. Shooting, in particular, is important to the management of two thirds of the rural land area.

Two million hectares are actively managed for conservation as a result of shooting. It is recorded that shoot providers spend some £250 million a year on conservation. Indeed, shooters spend some 2.7 million days on conservation—the equivalent of 12,000 full-time jobs.

There are 17 hunting packs in Northern Ireland and some 325 registered hunts across the whole of the United Kingdom. Eight hundred people in Northern Ireland are involved in hunts, and some 45,000 people are so involved in the rest of the UK. The benefits are clear—they come from the farriers, the veterinary surgeons, the feed merchants, the insurance companies, the saddleries, the horse box people and horse lorry suppliers.

Point-to-points have been described as

"the lifeblood of the racing industry in Ireland",

and they clearly are. They contribute some £5.3 million to the economy, and on the UK mainland they do even better than that. Point-to-points are a good opportunity for horses to graduate to national hunt racing—ultimately, to the Cheltenham gold cup. One example of that would be the aptly named Looks Like Trouble, who was born and bred in Northern Ireland. This is clearly how champions are created. The overseas interest in the horse industry is also of great importance, and a great many people can see the benefits of that.

Shooting takes care of almost 1 million hectares in Northern Ireland, with £10 million spent on habitat improvement and wildlife management, and some 640 jobs created in Northern Ireland and some 12,000 jobs across the whole of the United Kingdom—Scotland, Wales and England. It can do better, and I believe it will. Some 150,000 people regularly shoot clay pigeons. There are about 1,000 shooting clubs in the United Kingdom, and the benefits and spin-offs that they bring are very important for the industry and the sector.

Angling in Northern Ireland is worth about £40 million. Some 420 angling destinations in Northern Ireland are open to tourists, and Northern Ireland is one of the best places in Europe to fish. We have some 800 jobs in angling in Northern Ireland, and by 2015 there will be 2,000. In relation to antisocial behaviour, of 660 youths in England who took part in a police angling scheme, 98% are still fishing and not one has reoffended. There is clearly a lesson to be learned from that. Casting for Recovery, a unique charity specially designed for women who have or have had breast cancer, uses angling to promote mental and physical healing.

Time has not permitted me fully to express the benefits of country sports to the economy, but I hope that I have managed to highlight the great spin-offs that come from this thriving industry. Perhaps Members have seen it as being more than what they thought earlier on. Now I will go and collect that pheasant on the far side of the Chamber.

5.13 pm

Neil Parish (Tiverton and Honiton) (Con): It is a great pleasure to speak in this debate, about the TB situation in my constituency. I very much welcome the statement made by the Secretary of State for Environment, Food and Rural Affairs earlier today, and I welcome my hon. Friend the Minister here this afternoon. He, too, has put a lot of work into putting proper controls in place to try to eradicate TB eventually.

Many people do not realise the emotional effect that this disease has had on farming. Someone who has TB in their cattle is unable to trade, especially in young stock, and it affects their business extremely badly. Where testing of cattle is taking place, someone's cattle might be grazing in the summer, they bring them inside for the winter, they are tested, some of them prove positive for TB, and they are then culled to take the disease out of their herd. The farmer then puts the rest of the cattle back out in the field the following summer, only for them to be infected by the wildlife, such as badgers, roaming around in the fields. If we are going to test cattle successfully and take out the infected animals, it is absolute nonsense if we do not tackle the problem in wildlife.

What I like about what the Secretary of State said this afternoon is that she had consulted everybody properly to get a scientifically backed way of culling badgers, to reduce the reservoir of disease. In the long run the farming industry is losing. Devon alone is losing nearly 2,000 cattle this year. It is terrible because not only are those cattle being lost, but it is very much the heifers, the young stock that are the seedcorn of the dairy industry for the future, that are affected. We want to see excellent milk production and good-quality milk in this country. That can happen only if we have the necessary stock to carry on the dairy industry. Across the country, 10 times as many cattle are now taken with the disease as was the case 10 or 12 years ago. We cannot go on like that, because eventually the industry will be destroyed. This country has such great grass-growing potential, particularly in the west country. The Blackdown hills in Tiverton and Honiton are probably one of the best dairy areas in the country.

We must be sure that cattle can be out grazing without being infected with TB. Everybody wants to see cattle out in the fields. That is what people come to Devon to see. This issue affects not only good agricultural production, but the tourism that benefits from the cattle. The last thing we want to do is to shut them up in sheds all summer to keep the badgers out. It is right to tackle the pool of disease, and I welcome the Government proposals. I look forward to the pilot schemes. I suspect that pilots will take place in the west country, possibly in Devon, which is one of the great hot spots. Let us consider how the controlled shooting will work and ensure that we do it humanely, and then we can go forward to an even greater cull.

5.17 pm

Jason McCartney (Colne Valley) (Con): I am not interested in media-driven lynch mobs. I am not interested in the politically motivated settling of personal vendettas. The big issue in my Colne Valley constituency is the wanton destruction of beautiful and historic countryside.

Thousands of concerned local residents have attended public meetings, registered their objections via e-mail and on the council website, written letters and contacted their local representatives to oppose plans to bulldoze the countryside for hundreds of new homes and industrial developments. I called one such public meeting in Lindley in north Huddersfield to oppose plans for 300 new homes and a data campus on Lindley moor. The church hall was packed on a Friday evening with hundreds of concerned local residents. There have been other recent meetings in Slaithwaite and Meltham.

[Jason McCartney]

These plans are being forced through with little meaningful consultation and little regard for the already creaking local infrastructure. Roads are clogged, schools are oversubscribed and people are extremely lucky if they can get an NHS dentist. That all stems from the previous Government's regional special strategies and top-down housing targets, which were imposed on local communities. My local Kirklees council was given a figure of 28,000 new homes. It is still pursuing that figure via a blueprint for development called the local development framework, which has been widely lambasted—rightly so.

The consultation has been flawed, with thousands of homes failing to receive the consultation leaflet that had supposedly been delivered to all homes in the area. As a result, my hon. Friend the Member for Dewsbury (Simon Reevell) and I called for the LDF consultation to be suspended. That was because the LDF in our area was not

"reflecting local people's aspirations and decisions on important issues such as...housing and economic development."

A High Court judgment on 7 February this year stated that councils should make the intended abolition of the regional strategies, otherwise known as the top-down targets, a "material consideration" pending enactment of the Localism Bill. However, the housing target numbers remain at Kirklees council.

I warmly welcome the Government's promise to reform the planning system radically and to give neighbourhoods much more ability to determine the shape of the places in which their inhabitants live. The Localism Bill will give local people a real say in what developments go on in their area. Community groups, parish councils and local business organisations will be involved in developing neighbourhood plans. However, we have to wait for the autumn for that to happen.

Another change that I would like to see is related to the new homes bonus. I have proposed in the Chamber a higher rate of bonus for homes built on brownfield sites, to incentivise developers to go for those sites over and above greenfield sites. I really believe that developers and my local council need to engage better with local communities. That will happen after the Localism Bill becomes law later this year, but planning applications also need to demonstrate clear improvements to local infrastructure. The plans for housing at Lindley moor, for example, show little regard for the heavily oversubscribed schools and clogged roads.

Finally, I stand side by side with the many people in my constituency who are deeply worried and angered by the way in which plans for homes and the data campus are being railroaded through with little genuine consultation, no regard for infrastructure and little explanation of the need. We are not anti-development, we just want better, sustainable developments that involve the whole community.

5.21 pm

Andrew Percy (Brigg and Goole) (Con): I want to talk about bioethanol. As Members may have heard in other debates, there is a strong vision, both cross-Humber and cross-party, in our area, in that we want to see the Humber being developed into a renewables centre hub. Indeed, we have Siemens coming to the area, and we have huge progress on carbon capture and storage. A key part of our vision for the area involves bioethanol, for which we will have two plants in the Humber—one is in Hull and one is proposed on the south bank.

There are concerns about the future of UK bioethanol because of what seems to be some confusion in policy and the legislative framework, emanating from both the European Union and the UK. The UK bioethanol industry has invested more than £550 million in the past five years, with a further £200 million to be invested imminently. It has created thousands of highly skilled jobs and reinvigorated manufacturing communities in the north and north-east of England, where we especially need those jobs.

In my own area, northern Lincolnshire, the proposed Vireol plant would provide 750 jobs in construction and a further 70 directly at the plant, plus those in the supply chain once it was up and running. However, there is concern that because of policy uncertainty and the tough financial climate in which we find ourselves, bioethanol projects in the UK may have stalled. Recently, the Ensus plant in Teesside had to shut down temporarily.

Biofuels have been controversial in the past, and I am certainly not talking about biodiesel. I am talking about bioethanol production that would also produce a high-quality feed product, so we would get two uses from the crop. It is an entirely sustainable process, which is why the Conservative party's policy Green Paper on a low-carbon economy signals support for sustainable biofuels.

However, there is a problem at the moment with biofuels in the UK, particularly bioethanol, because of the domination of US imports. I am pro-free trade, pro-United States and pro-transatlantic agreements, but we have to accept that those US imports are supported by a domestic subsidy in the United States that is designed to support the industry and blending over there. It is not aimed at undercutting UK bioethanol production. A number of countries in the European Union, such as France and Germany, have already categorised those imports differently, and I ask the Minister whether the UK will consider doing that.

I am conscious of the time, so it is difficult to go into all the details of this important issue—*[Interruption.]* An extension would be nice, but that is not going to happen.

There are four things that we seek from the Government: a commitment that the UK is committed to bioethanol; a confirmation that we will make it part of our carbon reduction target; a clear signal that bioethanol is part of the 10% target for renewable transport; and action to ensure that the problem of bioethanol imports from the US, which seem to undercut the UK with the domestic subsidy that I mentioned, will be addressed. I apologise to the Minister because this issue cuts across, by my count, five different Departments, and I am sorry that it has landed in his lap today, but perhaps that demonstrates why we need more clarity and direction from one Department on this. Any assurance that the Minister can give us will be greatly appreciated by my constituents.

5.25 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I thank all the hon. Members who have contributed to this debate. As my hon. Friend the Member for Brigg and Goole

(Andrew Percy) suggests, I am surprised by some of the issues about which it has fallen to me to respond, and which have—at least for today—fallen under the DEFRA umbrella. I will do my utmost to respond to the points that have been made, in the order in which hon. Members spoke.

The hon. Member for Southampton, Test (Dr Whitehead), whom I have always respected for his knowledge of waste and renewables policies, rightly raised the issue of landfill bans. I hope that he will understand that I answer on behalf of Lord Henley, who leads on this issue and is therefore far more acquainted with it than I am. We have immense sympathy with the hon. Gentleman—and in fact there is very little difference in what we are trying to achieve. I know that he chided us a little, and I will try to answer him, but we are trying to prioritise efforts to manage all our waste—not just domestic waste, but also industrial waste. We tend to concentrate on worrying about what councils do with domestic waste and ignore the wider issues of industrial waste, but we are trying to prioritise our efforts in line with the waste hierarchy and reduce the carbon impact of our waste, as well as considering what sort of inheritance we are leaving for future generations in terms of the contents of holes in the ground.

We are rightly concentrating on the higher levels of the hierarchy, including reducing waste in the first place, and then working through reuse, recycling and energy recovery before we end up at landfill. Clearly we want to move to a zero-waste economy in which all our material resources are fully valued or used in one way or another. The hon. Gentleman talked particularly about landfill, and I am sure the House will agree that landfill should be the option of last resort for most waste, especially for biodegradable waste.

We need to move towards eliminating landfill, and landfill volumes have fallen by a third in the last three years. That must be good news and the waste review, to which the hon. Gentleman referred, will play a substantial role in pushing wastes up the hierarchy and away from landfill. We are going further, and that is why we are maintaining landfill tax increases towards a floor of £80 per tonne in 2014-15.

On the specific issue of the consultation on restricting wood waste being sent to landfill, I can say from a personal perspective that I entirely agree with the hon. Gentleman that it is a huge waste of a valuable resource. There have been times when I have been known to fumble around some skips to fetch decent bits of timber out for a bit of DIY at home. I commend that approach to other hon. Members—if we all did our bit, perhaps we would not need to ban landfill.

The hon. Gentleman referred to the consultation that was begun under the previous Government—one of a number that they set in train in the last few weeks of their life and left to the new Government to resolve.

The Government were committed to a waste review, which is why we had to respond to the earlier consultation, as the hon. Gentleman mentioned. That consultation—on banning individual items from landfill—was very general, unlike the specific and more targeted consultation on wood waste, which we are talking about now. That consultation allows us to explore in much greater detail the practical implications of dealing with different types of wood. For instance, some wood waste might be treated with toxic materials that we cannot burn. There is a raft of issues. However, he raised a specific point about the previous consultation and criticised us for putting it in the archive. This is not an issue of secrecy; it is just where these things eventually belong. The DEFRA website has been refreshed over the past year under the new Government. The material has not been buried—or even put in landfill—but is freely available in the archive. I can assure him that we take this seriously.

My hon. Friend the Member for Dudley South (Chris Kelly) referred to the problem of roaming horses. I am sure that that is an issue of which most of us, whether we have urban or rural constituencies, have some understanding, although perhaps not in the fine detail to which he referred. He referred to fly-grazing—horses being chained on the verge. I suspect that virtually every Member has witnessed that and, if nothing else, questioned the welfare of those horses. He rightly listed the three pieces of legislation to which DEFRA Ministers usually refer—in fact, he virtually delivered my speech. I am not going to waste time, or insult him, by repeating them. He also rightly referred to the innovative use of other legislation, particularly by Dudley metropolitan borough council. I congratulate it on that sort of innovation; it is what we expect from local government. However, if he can think of other areas, we would be happy to consider them. He specifically referred to putting guidance online, and I am happy to consider that and respond to him when we have had time to reflect further.

The hon. Member for Strangford (Jim Shannon) was not on my list of speakers—so, not for the first time, I will have to wing it. Fortunately, he spoke about a subject extremely close to my heart, and I could not disagree with any of his points about the value of country sports, not just to the country's heritage, but to the economy and job creation. There was one important point that he did not make but which I feel strongly about: although country sports might provide only a handful of jobs in a particular area, in a rural area a handful of jobs can be very important. We need to understand that point. He referred to the racing industry. As he knows, I represent the area surrounding Newmarket, where about 7,000 jobs are dependent on the racing industry. I can assure him that the Government strongly support the continuity of country sports and recognise their economic contribution.

My hon. Friend the Member for Tiverton and Honiton (Neil Parish) had the good fortune to raise an issue that we have largely answered today already, so I hope that he will forgive me if I do not wax too lyrical about bovine TB, as it was discussed earlier in the Chamber. I would make one critical point, however. He spoke about the trauma to families of disease breakdown. For the past four years, more than a quarter of the herds in Devon have been under restriction at some time during the year. That is a huge proportion, and demonstrates just how bad the problem is in Devon. Unusually, he underestimated the seriousness of the situation. I think that he said that about 2,000 cattle were slaughtered in Devon, but the actual figure is 5,700. That, too, demonstrates the seriousness of the situation. I cannot tell him the location of the pilots because we have not got to that stage yet. We expect applications for licences to be made, but as I have said in the media today, I would be astonished if one of them was not in the south-west somewhere.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): Somerset.

Mr Paice: Well, there are a lot of counties.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Shropshire.

Mr Paice: Even I do not think that Shropshire is in the south-west. Two suitable sites will be selected.

My hon. Friend the Member for Colne Valley (Jason McCartney) referred to the green belt. Let me make it absolutely clear that this Government will maintain the green belt, despite some spurious reports about how the national policy planning framework will weaken it. It will not. The Government have no intention of weakening the key protections for the green belt. Inappropriate development should not be approved in the green belt except in very special circumstances. This is a matter for local planning authorities, through the planning process. Clearly my hon. Friend has differences of opinion—on the face of it, it sounds as if I would entirely agree—with his local council about the number of houses. I need to stress, as he did, that our commitment to abolish regional spatial strategies means that there is absolutely no obligation for local authorities to pursue the planning policies that they may have been forced into by the previous Government. Local authorities can stop, as mine has, and start again if they so wish. I wish him success in persuading his local authority to do that.

Finally, my hon. Friend the Member for Brigg and Goole (Andrew Percy) spoke about the bioethanol industry. In answer to his final point, the Department that is primarily responsible is the Department for Transport, as he probably knows. The Government strongly support the use of biofuels, as long as they are sustainable. The industry—particularly the ethanol sector, to which he referred—has done a considerable amount to improve its greenhouse gas savings. The latest data suggest that bioethanol from home-grown wheat and sugar beet achieved direct emissions savings of 60% and 77% respectively, compared with fossil fuels, which is a significant gain. However, there are concerns, particularly about the indirect effects of displacing food production, which is why sustainability is so important.

I can also assure my hon. Friend that we are looking carefully at the issue of tariffs, to which he referred. I fully understand what he was saying; it always amazes me that although the United States is very good at telling others to practise free trade, it then introduces its own domestic support—in this case for the ethanol sector, taking something like a third of the corn production in the United States for that purpose. As he said, other countries in the EU have not allowed the use of the chemical tariff for fuel ethanol, which attracts lower duty than the other categories. At present the British Government are examining the legality of that and looking into whether we can learn lessons from the approach taken by other EU countries. Let me conclude by assuring my hon. Friend that we support the domestic bioethanol industry, which has shown the way forward. Clearly sustainability is at the heart of it, but so too is fair and free trade. We must ensure that that does not work against our own domestic industry.

I thank you for the opportunity to respond on DEFRA issues, Mr Deputy Speaker. I wish you and all Members of the House present a very pleasant summer recess.

HOME DEPARTMENT

5.38 pm

Mark Lancaster (Milton Keynes North) (Con): Thank you, Mr Deputy Speaker. You may not have heard of the drug khat—indeed, many people in the United Kingdom have not—but it is a plant that is grown in the middle east and Africa whose leaves are chewed among Somali, Ethiopian and Yemeni communities here. Its effects are similar to those of better known substances, such as amphetamines. Khat is a stimulant, creating euphoria. Like nicotine, it is highly addictive; like cannabis, it is linked to mental health conditions; yet unlike those drugs, khat is not controlled in this country. Despite its physical effects, including liver and kidney problems and mouth lesions, it is neither classified nor regulated. Yet khat's main component, cathinone, is a class C drug —the same cathinone that is found in mephedrone, the drug that this House was so quick to act on last year. Khat is illegal in 16 European countries, as well as in the United States and Canada. It is legal in Holland, but regulated.

However, rather than the physical effects, it is the social impact that many ethnic communities in the UK are railing against. Khat can easily become a way of life. One former addict in my constituency described his routine: waking at 3pm, buying the leaves from a local house or car boot, and assembling in a local living room, or "khat house", with around 20 others to begin an eight-hour session of chatting and chewing—a bit like the House of Commons. The inevitable come-down involves many users sleeping all day after a session before resuming the routine. Unsurprisingly, unemployment is rife in such communities. The habit perpetuates a lack of integration on those diverse estates and creates tensions. I have had complaints from residents about the obstruction caused by people queuing for khat, about night-time disruption and about intimidation from nocturnally high neighbours.

Meanwhile, family breakdown is often fuelled by khat. The financial strain increases the problem in deprived areas. Although khat costs only £3.50 a bunch, up to four are required per session, so the habit can cost £98 a week. Abandoned mothers and community leaders, and even users themselves, are crying out for something to be done.

The problem might come as news to many people, but it is certainly not new to Parliament. It was first raised in 1996, when the then Government said that they were monitoring the issue. In 2011, we are still monitoring it. Meanwhile, the problem continues to grow. Usage has risen with immigration, with the UK Somali population doubling in a decade. The way in which khat is used is also shifting. In its countries of origin, elders chew it on special occasions, but in Europe, contemporary patterns of consumption are excessive. Anecdotal evidence suggests that consumption is spreading to women, teenagers and even indigenous residents on our diverse estates.

The Advisory Council on the Misuse of Drugs considered classifying khat in 2005, but declined to do so because its prevalence in the UK was relatively low. Therefore, while the plight of those addicted to cocaine, cannabis or alcohol is well documented, the fate of those who are under the spell of khat rarely comes to light. The European Monitoring Centre for Drugs and Drug Addiction has stated that

"khat use is both common and commonly overlooked".

It has 20 million users worldwide. It is thought that about 7 tonnes of khat are imported into the UK each week, but we do not have a full picture of its effects, as the police do not collect data on khat, and hospitals do not collect admissions statistics related to the drug.

Those omissions need to be rectified. While that is being done, with a view to possible classification of the drug in future, will the Minister tell us whether he believes that, after 16 years of inaction, the time has come to regulate khat as a first step? If sellers required a licence, antisocial behaviour problems would be reduced. A minimum age for purchase would stop the drug's popularity spreading to youngsters, and it would at last register on the Government's radar.

5.41 pm

Caroline Lucas (Brighton, Pavilion) (Green): One of my priorities as MP for Brighton, Pavilion is to tackle our city's sad reputation as the drugs death capital of the UK. Since being elected, I have met many of those in my constituency who are most affected by drugs to explore ways of reducing the harms associated with drug use. Based on those meetings, I have two proposals for the Minister today. The first is that future drugs policy be based on evidence. The second is that responsibility for drugs policy be moved from the Home Office to the Department of Health, and I hope to demonstrate why such a move would be commensurate with an evidence-based approach.

Drug-related harms and the cost to society remain extraordinarily high in Britain despite decades of prohibition, yet successive British Governments have put their faith in the illegality of drugs being a deterrent in itself. Just last weekend, however, new research published in the *Journal of Substance Use* corroborated previous studies that suggested that whether a drug was illegal had very little bearing on people's decision to use it. Why do we not look at the evidence?

In Portugal, the number of people taking heroin has halved since its use was decriminalised. In Switzerland, a series of new policies based on public health rather than on legality has led to a sharp decline in heroin demand and crime. A comparison between Norway, which has a very liberal regime but similar levels of drug use to Sweden, where strict controls are in place, shows very little correlation between levels of punishment and levels of drug taking.

In other words, there is a growing body of evidence to suggest that prohibition is not the most successful way to reduce drug-related harms, and that there are other approaches. As the chair of the UK Bar Council, Nicholas Green QC, has said:

> "A growing body of comparative evidence suggests that decriminalising personal use can have positive consequences. It can free up huge amounts of police resources, reduce crime and recidivism and improve public health. All this can be achieved without any overall increase in drug usage."

The Government, however, appear to be unwilling to countenance any approach other than prohibition. Their 2010 strategy makes a firm commitment to evidence-based policy making, yet in the very same document, the Home Secretary completely dismisses alternatives such as the decriminalisation of personal use.

There has never been an impact assessment of the Misuse of Drugs Act 1971; nor has there been a cost-benefit assessment, or any attempt to compare its effectiveness in reducing the societal, economic or health costs of drugs misuse with the alternatives. Yet we surely owe it to those affected to ensure that the overall policy framework—as well as spending decisions about particular treatments, for example—is informed by the evidence. Evidence-based prevention needs to be considered as well. If we want fewer young people to use drugs, we must craft messages that work, and we must do so in the context of the Equality Trust research that shows a clear and demonstrable correlation between high drug use and high levels of inequality.

The message I am hearing loud and clear from those I have met in my constituency is that rather than criminalising drug addiction we need to give people treatment and support. That view is echoed by Chief Superintendent Graham Bartlett of Brighton and Hove police, whose personal view is that

> "the use of drugs is not well addressed through punitive measures."

As he goes on to say,

> "Providing people with treatment not only resolves their addiction—thereby minimising risk of overdose, drug related health issues, anti social behaviour and dependence on the state, for example—but cuts the costs to the community by reduced offending."

That is why my second recommendation is that we decriminalise personal drug use and remove responsibility for drugs policy to the Department of Health. I am hosting a round table in Brighton in September to discuss how we might move forward as a city on this issue. It is clear that any changes need to be brought in slowly and carefully, but if the Government were to lend their support to such an approach, committing to a drugs policy that is evidence based and treatment led, I am confident that we could save lives locally.

5.45 pm

Jane Ellison (Battersea) (Con): I want to speak about an issue that affects a growing number of women and girls right across our country—female genital mutilation. It is the third time that I have raised the issue in the Chamber over the last year, and it has been raised by Members in both Houses in recent weeks, with a thoughtful debate taking place in the other place on 30 June.

FGM is not a religious issue; nor is it restricted to one ethnic group. It is a cultural practice prevalent in Africa, the middle east and parts of the far east. But behind the acronym FGM is a crime—a brutal crime perpetrated against those who are least able to protect themselves: little girls and young women.

FGM is the full or partial removal of, or injury to, the external female genitalia for non-therapeutic reasons, which means that there is no beneficial medical basis for the practice. In every case, the health of the girl or woman is damaged, often irreparably. What is most shocking of all is that a great many of these criminal acts are perpetrated against girls aged 10 and under, right down to infants. It is "the unkindest cut of all", as FGM is carried out in the full knowledge of those who are supposed to protect their children—their families.

FGM causes all kinds of severe problems for girls and women's sexual and reproductive health and general well-being throughout their lives. The Foundation for Women's Health, Research and Development, FORWARD, estimated that around 66,000 women and girls in England and Wales have already been subject to FGM and that

[Jane Ellison]

well over 22,000 should be considered as "at risk". In some areas of London, about 5% of women giving birth present with signs of FGM. Those grim figures are based on the 2001 census. Given migration patterns over the last decade, these figures are likely to be much higher today.

In a recent article in *The Guardian*, Hugh Muir stated that some 6,000 girls in London were taken abroad and subjected to genital mutilation. Head teachers have described to me happy and outgoing young girls who have returned from their summer holidays withdrawn and distressed. I struggle to understand why the systematic and brutal wounding of young girls is not considered a national scandal. I know that right hon. and hon. Members would not tolerate a situation in which little British girls were taken abroad and returned missing their fingers. Likewise, we should not tolerate FGM. It is a child protection issue. FGM in the UK is child abuse; it is that simple—yet FGM continues to grow, largely unchallenged, in British society.

Since 2008, there have been more than 100 metropolitan police investigations into cases of FGM, but despite that, and even though FGM has been illegal since 1985, there have been no convictions to date. France has made more than 100 successful prosecutions. Ms Efua Dorkenoo, a leading expert in the field, believes that we must make it clear to communities where FGM is prevalent that the Government, police and courts take this issue very seriously and that it is completely unacceptable. Prosecutions would make that clear. We need to understand the barriers to prosecution. Have Ministers discussed with their counterparts in France how that country's successful prosecutions were secured?

Prevention is even more important. Are we focusing on children aged under 10? Are Departments such as Health, Education and the Home Office working together to make the existing framework of child protection even more effective? Are we urgently addressing the need to update the evidence base on FGM? Figures that are now more than 10 years old suggest that the practice affects more women, in the number of new cases, than ovarian or cervical cancers—yet female genital mutilation can be eliminated, and I would like to see it given the emphasis it deserves.

5.49 pm

Yasmin Qureshi (Bolton South East) (Lab): I want to talk about the innovative and excellent work done by Fortalice house in my constituency. Before I explain why I believe that its work should interest Back Benchers as well as Ministers, let me give some statistics for domestic violence.

Domestic abuse accounts for almost 25% of recorded violent crime. An average of two women a week are killed by a male partner or former partner, 30% of domestic violence starts during pregnancy, women are assaulted an average of 35 times before seeking help, and every six seconds a woman is assaulted in her home. Those are staggering statistics in a modern, advanced, civilised society such as ours.

Fortalice house, which has existed for three years, accommodates up to 22 women and up to 70 children in fully furnished, self-contained flats with 24-hour supervision. Its ethos involves not just providing physical shelter, but re-educating women and children so that they can change their own patterns of behaviour. Its staff work with women to deal with issues such as alcohol, drugs, living skills, relationships, money and physical health, and to motivate them to take responsibility for their own mental and emotional health. The skills that they teach include managing money and using IT, sewing, and cooking healthy food. As a result of their work, in the last year only 5% of women who went into Fortalice house went back to the perpetrators of violence: it had a 95% success rate. Staff also provide practical help, filling in forms and liaising with different agencies to ensure that the ladies receive the benefits to which they are entitled, which helps them to look after themselves and their children.

The work of Fortalice house is, by nature, people-intensive, and funding cuts of more than 18% will have a severe impact on its ability to deliver the excellent services that it currently provides. Domestic violence is an issue in Bolton, where, between April 2010 and March 2011, there were 8,160 incidents of domestic violence, more than in any other area in Greater Manchester. Twenty per cent. of recorded crime in Bolton is domestic violence, and 50% is alcohol-related. I know that there are budgetary constraints, but I urge Home Office Ministers to recognise that some of the work that is being done is so vital and crucial that it must be supported. I ask the Home Office to consider not just funding Fortalice house so that it can continue its work, but enabling that work to be extended to other domestic violence refuge centres throughout the country. Ultimately more money will be saved, because prevention is always better than cure.

Finally, I invite Ministers to come and see for themselves the excellent work being done at Fortalice house, and ask them again to consider providing resources so that domestic violence refuges—

Mr Deputy Speaker (Mr Nigel Evans): Order. The hon. Lady's time is up.

5.53 pm

Bob Blackman (Harrow East) (Con): I want to draw the House's attention to increasing concern in my constituency about gang-related crime.

Let me begin by saying that the London borough of Harrow is the second safest borough in London in terms of crime. The police do a brilliant job in apprehending criminals and ensuring that they are processed through the courts and punished accordingly, and they have my huge support. The Mayor of London has increased the number of police officers available to the borough, as well as the number of police community support officers. However, there is a great fear of crime in the area, which has been exacerbated by recent events. It stems from what happened two or three years ago, when Wealdstone was essentially a no-go area after dark because of the gangs in the area. The situation culminated in the stabbing of a young man at a petrol station. I am delighted to say that the police apprehended those responsible and broke the gang, and that those responsible are now in prison, but, of course, gang membership starts at different ages.

The police cracked down in Wealdstone, and that was a tremendous success, but the gangs then moved north into Harrow Weald. A gang has terrorised the local

neighbourhood there. There are recorded crimes. On Friday 24 June, nine of the gang's members were arrested after a young man was stabbed in the street at night. Happily, the young man was not severely injured, but he was badly injured. On Sunday 3 July, there was another incident in which a young man was stabbed. The criminal involved has, we believe, been apprehended, and will be processed.

This is the tip of the iceberg, however. The gang is causing mayhem in the area. Young people on their way to and from school are frequently mugged—relieved of their money and their mobile phones—and are in fear of going about their normal business in daylight hours. We must combat that.

I ask the Minister for one simple action that we promised before the general election, and which I hope will happen. Those who are apprehended carrying knives should face a custodial sentence, regardless of their age. Even if they are under 18, we need to challenge young people and say, "Do not carry knives, because if you do so and you're apprehended, you'll face a custodial sentence."

We must go further, too. We must encourage parents to make sure that young people do not join gangs in the first place, and we must offer alternatives for young people. Just yards away from where this gang is operating, there is a tremendous initiative in Harrow: a joint arrangement between Watford football club, the lottery and Harrow council to open a state-of-the-art youth centre, which will offer an excellent set of facilities for young people. My fear is that parents across Harrow may be discouraged from allowing their children to go to the youth centre because of the activities of this gang. We must take strong action to remove the gang from the streets, so that young people are given positive outcomes for their future development and positive things to do. Over the summer, I hope to see this youth centre, which I shall visit this week, start to come into operation so that we can see a more positive future.

5.57 pm

The Lord Commissioner of Her Majesty's Treasury (Jeremy Wright): I am delighted to have the opportunity to respond to this short but varied debate. I should apologise to all Members who have taken part, however, as I will not be able to give them the detailed answers their contributions deserve in the time available, but I do want to respond to some of the points they raised.

My hon. Friend the Member for Milton Keynes North (Mark Lancaster) expressed concerns about the drug khat. The Government share his concerns. He rightly pointed out that we do not have a great deal of information about the extent of the use of khat. What we know at present is based on a 2010 estimate that about 0.2% of the population reported using it. My hon. Friend asked about acquiring more information. I can tell him that there are now—since, I think, October 2009—questions in the British crime survey about the use of khat, and I hope that will lead to the Government having more information in making appropriate decisions.

In 2006, the previous Government decided to accept the advice of the Advisory Council on the Misuse of Drugs not to ban khat at that point. My right hon. Friend the Home Secretary wrote to the ACMD in February of this year asking it to review the available evidence now, and to reconsider the question of controlling khat under the Misuse of Drugs Act 1971. I can tell my hon. Friend that that work will begin in the autumn, and that we therefore expect in the fullness of time to have a good deal of information available from the ACMD and conclusions the Government can consider in deciding what to do next.

My hon. Friend would not expect me to prejudge the outcome of that ACMD review, and I will not do so. However, I can tell him that it will be thorough, and I am also sure that the ACMD will be interested in any evidence he and others can bring forward for its consideration. As I say, the decision that it takes and the decision that the Government then take will be based on evidence.

That brings me neatly to the remarks made by the hon. Member for Brighton, Pavilion (Caroline Lucas). She made two proposals to the Government, the first of which was that drugs policy should be evidence-based and the second that we should move away from the criminalisation of drug use towards a more health-based model. I shall deal with both of those in turn.

The first point to make is that we already have a balanced drugs policy. It is right that drugs policy should be based on evidence and that it should be balanced, not just on criminalisation but on other issues. The title of last December's drugs strategy, to which the hon. Lady referred, starts with the words "Reducing Demand, Restricting Supply, Building Recovery". All those elements are important, and we will continue to evaluate the strategy to make sure that it is delivering what it should. The strategy set out, for example, that the commissioning of drug and alcohol treatment services will be a core responsibility of local directors of public health, so there will continue to be a health-related element to the Government's drugs strategy, and that is as it should be. There will also be an education element to the strategy. It is right to say also that young people need to understand exactly what they are dealing with when faced with a variety of illegal drugs and they need to be discouraged from taking them.

That brings me on to the second area. I understand that the hon. Lady had a very limited time in which to make her case on this important issue. I have an even more limited time in which to reply, so I understand that we are restricted in what we say. However, I disagree with her view that the right answer is to decriminalise the drugs that we are discussing. The simple reason for that is that legalising something that was previously illegal sends out a very clear message, and that message is that society no longer disapproves of this item in the way that it previously did. That would be acceptable only if the effect of these drugs was not as damaging as it is. The hon. Lady says that she is interested in evidence when it comes to drugs policy, so she must accept that the evidence clearly shows that illegal drugs of the type we are discussing are extremely damaging. They are damaging to the individual who takes them and to their family, and to the wider community. Therefore society should not take a neutral view on whether these drugs are a good or bad thing; society should take a strong view that they are a bad thing. The Government's view is therefore that those drugs should remain illegal.

I will certainly pass to the Under-Secretary of State for the Home Department, my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone),

[Jeremy Wright]

the invitation from the hon. Member for Bolton South East (Yasmin Qureshi) to visit the Fortalice refuge, and I am sure that my hon. Friend will consider it. The hon. Lady was right to say that the people who work there do a remarkably good job and offer a service that many people find extremely valuable. However, I do not think it is right to conclude that the funding difficulties with which the Government certainly have to contend on a range of fronts mean that these types of services cannot be provided.

The hon. Lady will know that a substantial part of the local funding to refuges such as the one in her constituency comes from the Supporting People programme. In relation to that programme, £6.5 billion-worth of funding has been secured for the current spending review period. Admittedly, that represents a reduction, but the average annual reduction over the four-year period is less than 1% in cash terms. Central funding is also available and the Government are making available £28 million of stable Home Office funding over that period for specialist services, including independent domestic violence advisers, independent sexual violence advisers and co-ordinators for multi-agency risk assessment conferences. Those are all important services that she will recognise, and they co-ordinate with the types of services at the refuge in her constituency that she is describing.

I was discussing the Government's commitment to preventing violence and abuse against women and girls, not just in the UK but more broadly so I shall move on to deal with the comments made by my hon. Friend the Member for Battersea (Jane Ellison). As she said, she has spoken in this House before—and powerfully—on female genital mutilation. She has done so again today and she is right to say that this practice constitutes horrific abuse of often very young children. It remains a crime, as she says, and it has been a crime since 1985. More specifically, under the Female Genital Mutilation Act 2003 the maximum sentence for this offence has been increased to 14 years' imprisonment. Crucially, as she said, this Act allows the behaviour of British citizens abroad to be punished, whereas previously it could not be. That is an important point for the reason she gave, which is that occasionally such activity was transferred abroad to avoid the effect of the criminal law.

My hon. Friend would probably also agree that there are a number of things we can do. We should look not only to punish those who are responsible for committing these offences but to improve the guidance available to prosecutors so that they can prosecute more often. She is right that there have been no prosecutions, but it is worth noting that there have been some 58 investigations into this offence. If there are difficulties with prosecuting, they might be to do with the types of information and understanding that Crown prosecutors need to have, and later this summer the CPS will therefore be issued with new guidelines to assist, we hope, in taking forward prosecutions where appropriate.

I am sure that my hon. Friend will agree that we can do more. We can raise awareness of the issue, which remains in many ways a hidden crime, and we will therefore attempt to get more Government guidelines to teachers, general practitioners and nurses, who need to understand the signs of such offences so that they can identify them. We also need to broaden awareness more generally and we have sent out some 40,000 leaflets and 40,000 posters to schools, health services, charities and community groups, because wider society needs to understand what is happening. We also need to assist victims, which we are doing with 15 specialist NHS clinics offering a range of services, including so-called reversal surgery. Women can go to those centres direct and do not need to be referred. Finally, this is a cross-government issue. It is not simply the Home Office that must act but the Foreign and Commonwealth Office, the Department for Education and the Department of Health.

Let me turn finally to my hon. Friend the Member for Harrow East (Bob Blackman), who spoke, as he has before, about the tragic and worrying events in his constituency. He is right, of course, that the Government should be very clear about the consequences of knife crime not just for the victim but for the offender. Let me make it very clear that so far as this Government are concerned, those who commit a criminal offence using a knife can expect to go to prison. As my hon. Friend knows, a prison sentence is available not just for adult offenders but for young offenders, and in the Legal Aid, Sentencing and Punishment of Offenders Bill, which is making its way through the House, the Government propose a new offence of having an offensive weapon in a public place and threatening someone with it. That offence will receive a mandatory six-month prison sentence, unless that would be unjust in all the circumstances.

My hon. Friend is also right to point out that we need to ensure that resources find their way to the problem. On that front, he might know that the Home Office has committed £18 million over the next two years, up to 2013, to support police, local agencies and the voluntary sector in tackling crime involving weapons and youth crime more generally. That includes £3.75 million for the three police forces where most knife crime occurs, and, as he would expect, that includes London.

It is also important, as my hon. Friend said, that we support those community projects that help to deter young people from involvement in knife crime. On that front, he will be interested to know that the Government have committed £400,000 to an organisation known as Kids Taskforce, which helps to educate school pupils about knife crime. He may have come across the organisation, because its materials are used by schools in Harrow.

My final point—I know my hon. Friend would support this—is that we must make those who are tempted to carry a knife understand that doing so does not, as they might believe, make them safer but makes them less safe. That is part of our education task when we deal with knife crime. I know that he would wish us to pursue that and that he would hope that it would be pursued in his constituency.

My speech has not covered all the contributions that have been made in the detail that would be justified, but I am grateful to you, Mr Deputy Speaker, for allowing me to respond to the extent that I have. I wish you and all those who work in this building a very prosperous and happy recess.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The final debate is the general debate and, as Members can see, it is well over-subscribed and we will finish at 7 pm. Although there is a four-minute limit, if Members have only one point and can make it within those four minutes, they will help other colleagues.

GENERAL MATTERS

6.9 pm

John Stevenson (Carlisle) (Con): I shall be as brief as I can. It would be an understatement to say that there has been a great deal of interest in the national media and, in particular, in newspapers in recent weeks. Indeed, that interest continues today. Whatever we think, a free and thriving press is undoubtedly important to us all. In any vibrant democracy there are two important ingredients—the first is competitive politics. We need parties competing with each other, and of course the battle of ideas. Secondly, we need diverse, challenging and inquisitive media, which legitimately hold to account politicians and others in positions of power and responsibility. Those media should be diverse, with a variety of radio stations, newspapers, television channels and the new media.

We often underestimate the importance of the media at the local level. That is the subject of my short speech today. Strong local media are equally important to hold people to account, whether they are politicians or others in local communities or regions who have positions of influence and power. In my area I am fortunate to have a diverse range of media. We have a daily newspaper, a weekly newspaper, two radio stations and two TV channels, all covering local issues in and around the Carlisle area, north Cumbria and south-west Scotland. However, if we scratch beneath the surface of those media, we discover that all is not necessarily as good as we would hope.

The papers are struggling because the recession has affected advertising and the income that that generates for them. The purchase of papers has fallen in recent years, which is worrying for the sustainability of the local newspaper. One of the TV channels is, in effect, a north-east channel and only occasionally covers Cumbria. The second channel has been greatly reduced. It was once known as Border TV. Now it is, to a certain extent, an outpost of the north-east. As for radio, we have CFM, which functions well on limited resources. The real strength is in Radio Cumbria, but that is under potential threat from BBC cuts. I shall concentrate on that.

We cannot underestimate the importance of Radio Cumbria and its contribution to local community. Back in 2001 we had the foot and mouth crisis, and in 2005 the Carlisle floods. In many respects it was the only source of information during that period. Then in 2009 there were the west Cumbrian floods. More recently Radio Cumbria provided information and reassurance to many people when Derrick Bird was murdering people in west Cumbria. Radio Cumbria is also a source of local news, information about community events, coverage of the local football team and coverage of politics. It is one of the most listened-to radio stations in the country.

I support other radio stations up and down the country, as I believe that local radio is extremely important for local communities. The danger is that with the proposed cuts by the BBC, that will be a much diminished service. I therefore call upon the Minister to put as much pressure as he can on the BBC to ensure that local radio is taken care of and is supported properly. I would rather see local radio survive than channels such as BBC 4. There is enough national coverage already. What we need is more local support.

6.13 pm

Martin Caton (Gower) (Lab): According to a European comparative study of children's exposure to accidents conducted in 2005, the fatality rate for child cyclists in the most vulnerable group—10 to 14-year-olds—was found to be around five times worse in the UK than in the Netherlands and Sweden. Every year about 50 cyclists are killed in collisions with cars. Many more are badly injured.

For health and environmental reasons, there is a consensus across the House and the country that we need to encourage more people, including children, to take up cycling. It is incumbent on us, therefore, to consider how we can improve the cyclist safety record in this country, hopefully bringing it into line with other European countries. A good starting point is to look at the difference between our country and countries such as Sweden and the Netherlands. I am sure there are several differences, but one thing stands out. Here in the UK, if a cyclist or pedestrian is injured or killed in an accident with a motor vehicle, it is for the victim or the victim's family to prove that the driver of the motor vehicle was negligent. In Europe, we share that approach only with Ireland, Malta and Cyprus.

In every other European country, stricter liability applies for insurance purposes. Under stricter liability, which reverses the burden-of-proof balance, it is for the driver to prove that the cyclist or pedestrian was negligent and therefore caused or contributed to the accident. As Lord Denning said, as long ago as 1982:

> "There should be liability without proof of fault. To require an injured person to prove fault results in the gravest injustice to many innocent persons who have not the wherewithal to prove it."

I believe that adopting stricter liability in this country for road accidents would be an important step forward for justice and, more importantly, would save considerable numbers of vulnerable people from injury and even death.

A report produced for the Department for Transport in 2004, "Children's traffic safety: international lessons for the UK", attributed at least some of the differences in the safety record here, as compared with other European countries, to the law of stricter liability in those countries. The evidence points to the fact that stricter liability has the psychological effect of making drivers more aware of the vulnerability of children, cyclists and pedestrians. That is what the 2004 study concluded and it is also the conclusion of many cyclists who have experience of cycling in this country and on the continent. My constituent, David Naylor of the Swansea Wheelwrights cycling group, who first raised this issue with me, is one such person. He wrote informing me that he has toured in the UK, the Netherlands, Denmark, Germany, Austria and Switzerland. He went on to say:

> "This has made me aware of how much safer one is over there. Motorists treat cyclists and pedestrians with respect. The better infrastructure helps but my judgement is that the existence of stricter liability is more important".

When I took that up with the Department for Transport earlier this year, the Minister replied: "Even if there were some benefit for road safety such benefit would need to be weighed against the disbenefit which might result from overturning the well established and effective law that applies in civil liability." Personally, I think that road safety should trump legal tradition every time.

We would not be revolutionising British law if we applied stricter liability in these cases because it is already part of our civil law on workplace health and safety incidents and on product liability. It is even in the field of motor insurance already, as it applies to car passengers. Extending it to protect cyclists and pedestrians makes sense and I urge the Government to give serious consideration to making the necessary changes even if the insurance industry does not happen to like the idea.

6.17 pm

Jo Swinson (East Dunbartonshire) (LD): I would like to make the case for including body image classes in schools. We already recognise the need for our schools to inform young people about a wide range of issues such as the dangers of drugs and alcohol misuse, how to have a healthy lifestyle, and basic financial literacy in relation to mortgages, interest rates and debt. I believe that these personal, social and health education classes should now include body image.

We live in a looks-obsessed society and huge commercial and social pressure is placed on young people to aspire to unachievable body "ideals"—so much so that half of young women aged between 16 and 21 say that they would consider cosmetic surgery to change the way they look, and half of young men feel bad about their body after reading men's magazines. Eating disorders now affect 1.6 million people in this country. Most worryingly perhaps, the prevalence of eating disorders doubled between 1995 and 2005. Even when the situation is not as serious as a full-blown eating disorder, negative body image can have a real impact on educational achievement. A study in 2005 by Lovegrove and Rumsey found that 31% of teenagers—almost a third—say they do not engage in classroom debate for fear of drawing attention to their appearance and that one in five pupils reported staying away from school on days when they lacked confidence in their appearance.

Channel 4's "How to Look Good Naked" is a fabulous example of what the media can do to play a positive role in developing body confidence. Its presenter, Gok Wan, has also championed the cause of body image classes in schools. In May, he brought a massive body confidence lesson to Parliament. There are lots of great examples up and down the country. Y Touring, the theatre arm of YMCA, has taken its discussion-provoking play "Beautiful" into schools, and the campaign group Body Gossip has developed "gossip school", in which individuals who have recovered from eating disorders go into schools and lead discussions about body confidence. In the US, the body project, which got young people to critique the "thin ideal" in essays and role plays, was shown to reduce the risk of participants' developing eating disorders by 61%.

The university of the West of England's centre for appearance research will soon publish its evaluation of different types of body image lessons. It suggests that the technique of cognitive dissonance—putting young people in a position in which they challenge the stereotypical, ideal body themselves—is the most successful in changing attitudes, and can reduce body dissatisfaction and the likelihood of developing eating disorders.

What should the Government do? First, the issue needs to be examined in the context of the forthcoming review of personal, social and health education, and

I hope that the Government will conclude that body image should be taught in all schools, just like education on drug abuse and safer sex. Secondly, the Government should work with various partners to develop a range of resources that teachers can use for those lessons. My hon. Friend the Minister for Equalities has entered into discussions with Media Smart to develop a media resilience and body image toolkit that can be offered to schools. It is a great start, and we should undertake more initiatives like that.

Thirdly, we need to encourage teachers and schools to use those resources by sharing best practice at education conferences, in teacher training colleges and by using the media to highlight successes. Setting time aside in the curriculum to develop teenagers' body confidence makes sense for the sake of both the academic performance and the long-term health and well-being of our young people.

6.20 pm

Dan Jarvis (Barnsley Central) (Lab): Defence is the first and most important duty of Government, and it demands particular responsibility when, as now, we face the need for significant reforms. If we do have to cut, we must do so with care. Instead, the Government are making changes that will greatly affect our capabilities and our role in the world without a proper assessment of our needs, without proper consultation, and without proper scrutiny in Parliament. It is unacceptable that the Secretary of State should have appeared in the House yesterday to announce major changes across four critical policy areas with less than an hour for the House to debate them. The British public, and our armed forces, deserve better.

The problems facing our armed forces have grown under successive Governments. Labour's record included reducing the number of civil servants in the MOD by more than a third and by making reforms to the structure of the armed forces after we came to office. We recognised the need for further reform, which is why we commissioned the Gray report on defence acquisition. We could have done more, and we must take our share of responsibility, but we should not stand by and watch when the coalition Government get it wrong.

I accept that there are genuine challenges facing the Secretary of State, but it is increasingly clear that the strategic defence and security review was a rushed and compromised process, driven by a Treasury agenda and a Treasury timetable. That is not just my view but that of the Defence Secretary himself, who said that

"this process is looking less and less defensible as a proper SDSR and more like a 'super CSR'."

It is no wonder, that nine months on, the incoherence of the review has been exposed.

It is always difficult to second-guess military decisions in opposition. However, is the Prime Minister's judgment not called into question, given that he argued that there are few circumstances in the short term in which the ability to deploy airpower from the sea is essential? Libya undermined that assertion after just five months, and it could be 2020 before we have full carrier capability again. The Royal Navy as a whole has been cut to the bone, even though it is important to the flexibility and reach set out by the national security strategy. At the same time, our island nation is eliminating our maritime patrol aircraft. We now know that there are more cuts to the Army to come. In reality, as Chatham House put it,

"the cuts are actually far greater than those that were imposed by any previous UK defence review."

Finally, the SDSR fails to deal with the underlying problems in the way the military is structured and run. That is why more than two thirds of defence experts described it as a missed opportunity. It put in place a number of piecemeal reviews that will not deliver the structural and coherent changes needed to address the organisational problems at the Ministry of Defence. I do not believe that that is good enough, so once again I ask that the Prime Minister do the right thing for our armed forces and our country and order a new chapter to this outdated and inadequate review.

6.24 pm

Kris Hopkins (Keighley) (Con): May I first put on the record my disgust at the fact that this House, having summoned someone to appear before a Committee, has failed to protect them, and that they have been assaulted? Regardless of the politics and the accusations, we have a responsibility to look after them, and we failed.

Over the past year I have spent a long time talking about educational attainment, particularly the need to ensure that young people in my community speak English. If they are to reach their maximum potential and take advantage of all the opportunities life brings them, we must encourage them to speak English and reach the highest possible educational attainment. I would like to ask the Secretary of State for Education to go further than the response he has given so far and identify interventions that he will put in place to hold parents to their responsibility to ensure that their children reach their maximum potential. I would like him to respond in writing on how we will do that.

When we return after the recess, I hope that the Localism Bill will go through. There is a long-outstanding call in Keighley for independence, not from the rest of the world, but from Bradford council, and I hope that a referendum conducted under the Localism Bill will offer that opportunity. There is a strong call from the community I represent to break away from Bradford and ensure that they get value for money and local representation. I would like the Secretary of State for Communities and Local Government to outline clearly when such a referendum can be held and give an associated time line so that we can start to talk to the public about this issue.

I raised during Prime Minister's questions the VAT that the Sue Ryder Manorlands hospice has to pay and whether we should think about an exemption. There has been a long debate with the Treasury on how this problem could be solved. This is Government, and we need to have a can-do approach and to find a solution. I ask the Chancellor to write to me on the debate that has gone on so far, outlining clearly what is holding this back and how we can find a solution to the issue. I know that there is support from both sides of the House on the matter.

While many people have been damning the big society, the members of the Worth Valley young farmers club in my constituency have been rolling up their sleeves and getting on with it, with 80 young people aged 10 to

[Kris Hopkins]

26 out there in the parks, working for local groups and really making a difference. I want to celebrate that, as we are extremely proud of what they have done. Lots of people put their hands out and ask for something, but these young people are really making a contribution. I say well done to the leadership of the club, and the young farmers themselves have our support and are proud ambassadors for our town.

Worth Valley railway, Ilkley moor, the Brontë parsonage and the landscape of "Wuthering Heights" are great tourist attractions in my town. I would like to invite the Minister responsible for tourism to come up and talk with businesses in my constituency and listen to them about how we can make their business work better.

There is a large Kashmiri population in Keighley, and one of the big issues for them is independence and self-determination for Kashmir. My final point is to ask the Foreign Secretary to reiterate the Government's position on self-determination and to write to me to let me know what we have done over the past year in government to address the issue.

6.28 pm

Mrs Madeleine Moon (Bridgend) (Lab): In 2010 more than 234,000 people were claiming employment support allowance for a mental or behavioural disorder, which is 40% of the total and by far the biggest single group. The figures are similar for other sickness benefits. The Department for Work and Pensions is now in the process of migrating all sickness benefit claimants to employment support allowance, which includes reassessing their fitness to work through a work capacity assessment, but there are huge doubts about the fitness of this work capacity assessment for people with mental or behavioural disorders. Over 40% of people who lost their benefit won again at appeal—that is, over 20,000 in 16 months, which is far more than for any other refused benefit. After waiting for many months they had their benefits reinstated, but they should not have had to suffer that wait. This number does not include the people who had a decision reversed at an earlier stage or who gave up their struggle to make a claim.

This is a benefit claim system that is not fit for purpose. I have heard numerous examples of people with very serious and apparent mental illness having been found to be "fit for work" because they do not happen to meet the descriptors used as part of the work capability assessment. I do not need to remind the House that many of these people are highly vulnerable. The heads of a number of leading mental health charities and the Royal College of Psychiatrists wrote to *The Guardian* following a poll which showed that over half of those surveyed reported suicidal thoughts as a result of the prospect of a work capability assessment, while 95% said that they did not think they would be believed at their assessment.

In recognition of this failure of the work capability assessment procedure for people with a mental illness, the Government are enacting Professor Harrington's recommendation for mental health "champions" in every assessment centre. Professor Harrington is also, at the request of the Government, working with leading mental health charities to review the mental, intellectual and cognitive descriptors used in the work capability assessment. Despite this, not all assessment centres yet have an assigned mental function champion, and where they do, they have not had the time to bed in and change practice in their centres.

The mental, intellectual and cognitive descriptors are recognised by the Government to be in need of review. In the meantime, tens of thousands of vulnerable people are being forced to undergo an assessment procedure that the Government acknowledge is failing them. I call on the Government to suspend all reassessments of those with a mental or behavioural illness until such time as Professor Harrington's recommendations are fully implemented. The descriptors of mental, intellectual and cognitive impairment and the mental function champions need time to change working practices within the Department for Work and Pensions. We cannot allow hundreds of thousands of mentally ill people to undergo a process that we know to be flawed, risks suicide, causes huge distress, and is denying benefits to an unacceptably high proportion of those who are, in fact, entitled to them.

6.32 pm

Andrew Selous (South West Bedfordshire) (Con): Returning officers play a very important role in our democracy, notwithstanding some of the difficulties that we saw in 2010. They need the statutory protection of their appointment to make sure that they are not influenced by council groups or Members of Parliament at election time. The costs that they incur in running elections are fully justified, but it is my strong contention that the fees that they are paid personally for their services are not justified, and cannot be justified at this time, and that the continued payment of these massive fees to returning officers is wrong and must be stopped. At a time when there are cuts in mobile libraries, bus subsidies and some leisure services, we continue to pay these enormous fees.

Let me give some examples from seven different authorities. In Liverpool, the returning officer was entitled to £14,000 on top of a salary of £217,000. In Islington, there was an entitlement of £13,800 and the returning officer had a salary of £210,000. In Newcastle city, there was an entitlement of £9,880 on top of a salary of £150,000. In Manchester, there was an entitlement of £19,251 on top of a salary of £199,000. In Leeds, there was an entitlement of £27,654 on top of a £176,000 salary. In Bedford borough, there was an entitlement of £18,241 on top of a £170,000 salary. Lastly and most enormously, in Glasgow city there was an entitlement to a £44,000 fee on top of a salary of £170,000. How can we justify such payments? Those sums are many times the amount earned by many of my constituents.

If the Deputy Leader of the House is asked by the Leader of the House, the Deputy Prime Minister or the Prime Minister to do an extra job, he does not say, "I'll do it for an extra £5,000 or £6,000." He gets on and does it, because he is a public servant in a leadership position. Why should we have extra payments for returning officers? In my view, we need urgently to amend the relevant sections of the Representation of the People Act 1983.

These fees are a large, undeserved cherry on top of an already very well-iced cake, and it is time that they went. I look to the Deputy Leader of the House to do something about it.

6.35 pm

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Upon my re-election, I declared that the big issues for my constituency were investment and jobs. Unemployment in my constituency in June 2011 was 3,082, which is far too high—the 132nd highest in the UK. This Friday, I will attend a meeting with Department for Work and Pensions officials and other MPs where we will analyse in some detail the statistics and trends of what has happened in the last year. However, my constituents are not statistics. They are decent people, neighbours, friends and families who are worried about their future. My constituents want action from the coalition Government and the Scottish Government.

One example is the regeneration of Gartcosh. Starting in 1986, a multi-million pound investment of public money was spent on creating this new industrial park. For far too long, there has been a lot of huffing and puffing from the Scottish Government about planned jobs. This is turning into a national scandal. Massive public investment has not yielded one job. The Scottish Government and all the agencies accountable to them are in the dock. My constituents want answers, and they want them now.

Equally, the communities that I represent do not want jobs at any price. For example, the planned incinerator was rejected by North Lanarkshire council. In my view, Councillor Jim Brooks has skilfully exposed the Scottish Government's role as pathetic and like that of Pontius Pilate.

I invite the First Minister, for the second time, to visit my constituency so that he can listen to the sincere views expressed by decent, hard-working people who value their health and that of their children.

I will make three quick points that are important to my constituents. I believe that the scandalous domestic energy prices should be subject to a full investigation by the Competition Commission, and I urge the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey) to order an inquiry.

Credit unions in my constituency perform an outstanding role in helping people with their finances. Because of their differing values, the banks have bombed and the credit unions have boomed.

Financial constraints led North Lanarkshire council to consider parking charges. I have recorded my view with the chief executive and I met the leadership of the council to explain that our economy is too fragile and our town centres too vulnerable, and that above all else our people are being hammered enough without the imposition of such charges.

I will end on a positive note. Jobs can come from superfast broadband in the future. Pauline and Robert Bell, the energetic owners of Skyline Installations, a burgeoning company based in my constituency, have a legitimate interest in the new infrastructure. On their behalf, I wrote to the Department for Business, Innovation and Skills, and in all fairness, I have to say that the Secretary of State replied immediately. However, the response from the Department for Culture, Media and Sport was less than satisfactory. As a consequence, and consistent with my support for small businesses, particularly in my constituency, I have decided to request a meeting with the appropriate Minister. As a former Minister in that Department, I do not think that that should be too difficult. My constituents would expect no less.

6.39 pm

Mr David Amess (Southend West) (Con): Before the House adjourns for the summer recess, there are a number of points that I wish to raise. Mrs and Mrs Tweed came to see me at my last surgery. Mr Tweed is 52, and he has terminal cancer of the bowel, liver and lymph nodes. He had disability living allowance turned down. It went to appeal, and that was turned down, and in October he was told, "Wait another year". He has not got a year, so let the Department for Work and Pensions act now.

My constituent Jean Judge's daughter suffers from severe dyslexia and Asperger's. She gained a place at University college London as a mature student. I thought that people with special difficulties would be given extra help, but she has not been. I hope the relevant Department will see what it can do to help.

Brian West is one of the 10,000 people who took out an Equitable Life policy before the September 1992 cut-off date. I hope that the Government will look again at trying to help people in that situation.

Southend West, having the most centenarians in the country, depends on its bus services. Again, I ask the Government to see what they can do with subsidies. I have organised a public meeting for 5 August at 11 o'clock at Iveagh Hall, at which elderly people can tell us how urgently they need support for bus services.

Recently I went with the town clerk of Southend to see local businesses in the town. A number of business premises are empty, and we need to reconsider rate relief for empty business properties.

There was an increase of 3% in the number of animals used in experiments last year compared with 2009, and it is particularly worrying that there has been an increase of 10% in speculative research. As I served on the original Bill Committee on the matter, I am very disappointed with those figures. Perhaps the Deputy Leader of the House will pass that on to the appropriate Department.

There are between 250,000 and 466,000 people in the UK infected with hepatitis C. We could do far better in treating them, and I hope the Department of Health will consider that issue.

The Royal College of Midwives has said that there were 687,000 live births in England in 2010, a rise of 123,000 since 2001. I hope that we will do all we can to recruit more midwives.

Mrs Karen Glassborrow is looking to set up a free school in Southend, and I hope that the appropriate Department will help her.

On Parliament square, it is terribly sad about Brian Haw having died. He was the only person who was given permission to stay there, and I do not understand why on earth we have all those tents in a dangerous roundabout. Let us get on with it and do something about it instead of having the weasel words.

I end with phone hacking. I get on the tube at night listening to endless telephone conversations, which I find very boring indeed. Unfortunately no one has hacked my phone, so I am not entitled to any money.

[Mr David Amess]

The Labour party raised this issue, but we had a rotten Labour Government from May 1997 until last year. When we have the inquiry, let us start by having the former Prime Minister Tony Blair give evidence. Secondly we should have the noble Lord who was his deputy for 10 years, and then we should have the last Prime Minister.

I hope everyone has a wonderful summer recess.

6.42 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I wish to raise two issues. The first involves a group of eight banks, particularly the Royal Bank of Scotland, which has lent money to Davenham Trust Ltd. Davenham intends on Thursday to seek the bankruptcy of my constituent Mr Mark White, having lent one of his businesses £1.7 million. He has repaid approximately £2.2 million, so that is Davenham's capital plus interest, albeit not the full sum that Davenham is demanding.

I have written to the Secretary of State for Business, Innovation and Skills to raise concerns about other aspects of the case, but there are four questions that the Treasury should demand that the Royal Bank of Scotland answer, in its role as administrator of a £300 million lending facility to Davenham. What knowledge of Davenham's financial problems has it had; how involved has it been in the effort to keep Davenham afloat; what knowledge has it had of efforts to replace Davenham's board; and finally, what knowledge and scrutiny of Davenham's business strategy did it have before granting it extended facilities earlier this year, and does it have now?

Bankruptcy would not only mean my constituent losing his home—a bad enough outcome and traumatic for him and his family—but would put at risk a separate company with 200 employees. At that company's request I spoke to representatives of the Royal Bank of Scotland on Friday, and they made it clear that it is anything but their normal practice to intervene in such a situation. However, I repeat in the House today the request that I put to them on Friday. The times that we are in are tough enough, and RBS should recognise the opportunity to do the right thing and intervene to try to prevent bankruptcy. I hope the Treasury will encourage it in that view.

The second case that I wish to mention involves my constituent Mr Ashok Chatterjee, who was allowed to submit claims for overnight stays that he made while working at RAF Wyton, first at the Alconbury House hotel and later, after it closed, at the Alconbury motel. The Ministry of Defence for a long time believed that my constituent had falsified claims for the one hotel, long after it closed, when in actual fact he was claiming, as allowed, for a stay at a similarly named but different premises. My constituent's nightmare began when he was formally interviewed concerning possible abuse of his monthly claims. Over the next two years, he was suspended from duty, then reinstated, and then threatened with criminal charges, which were dropped. He was eventually reprimanded, but at the end of the MOD's appeal process, when the then Permanent Secretary at the Ministry, Sir Kevin Tebbit, revoked the charges against my constituent, he noted significant procedural flaws in how the MOD had handled the case. Sir Kevin also concluded that the personal record of my constituent in his time at the MOD should be restored to one of integrity and honesty.

I feel a deep sympathy for Mr Chatterjee and his family, for whom this has been a terrible experience. He has not been able to put it behind him and move on with his life, suffering considerable stress and illness as a result. I have written to a number of Secretaries of State for Defence, who have not been willing to consider the case for compensation. Mr Chatterjee could not afford to take the financial risk of court action, so I use this debate to ask the MOD to look at all the papers relating to the handling of the original disciplinary charge, in particular, and his appeal, one further time, and consider whether the handling of his case does not in fact merit some out-of-court compensation for the trauma he has gone through, and indeed is still going through.

6.46 pm

Christopher Pincher (Tamworth) (Con): Before the House rises for the summer recess, there are a number of points that I would like to raise on behalf of my constituents with those on the Treasury Bench, none of which—the House may be pleased to learn—relates to News International.

Many of my constituents write to raise concerns about the Child Support Agency and its manifold failings. It is clear that the CSA is in need of reform, as is the Children and Family Court Advisory and Support Service, or CAFCASS, the dispute resolution mechanism. Parents in Tamworth tell me that communications from CAFCASS are often vague, sometimes complex and are almost always sent only in response to parents' questions and complaints. CAFCASS, in my own experience of dealing with it, seems to be reactive and unhelpful. Yet day in and day out it is dealing with the some of the most upset, angry and worried parents. It seems clear that we need better dispute resolution procedures between parents so that fewer cases go to court and disputes are resolved more quickly. I would be grateful if the relevant Minister would write to me outlining any proposals that they may have for CAFCASS reform.

Additionally in connection with the CSA, my constituent Mr Paul Doxey, a CSA adviser from Tamworth, has raised a number of cases with me in which local parents, paying child support, are unfairly penalised by a quirk in the system and the whim of their variations officer. Parents who own properties and rent them out for income often find that CSA variation officers capitalise the value of those assets when assessing the child support payments they are required to make. The result of that capitalisation, in many cases, is that the parents are required to pay more in support than the rental income they receive from their properties, forcing them to liquidate their assets, which are their main or only form of income. Then, in logic of which Kafka would be proud, the CSA variations officer has to reduce the payment award because the parent's income has reduced—because of the original capitalisation decision. I would be grateful if a Minister would look into that anomaly with HMRC and the Department for Work and Pensions, and let me know of any action that they propose to remedy the situation.

During the next few weeks, scores of landlords of the Southern Cross care home company will be asked to nominate alternative operators who they wish to operate

their properties following the failure of Southern Cross to meet its liabilities. In each case, any new operator will need to satisfy local authorities and regulators of their credentials before the transfer of any homes. Haunton Hall care home in my own constituency is one of those homes. I know that the Minister of State, Department of Health, my hon. Friend the Member for Sutton and Cheam (Paul Burstow) mentioned this earlier, but I would be grateful if he would write to me outlining any actions or guidance that he proposes to ensure that the transition to new landlords is as orderly and as transparent as possible.

As the fickle finger of time is against me, I shall conclude by reporting to the House that during the recess the magnificent Staffordshire hoard, the cache of beautiful carved gold objects that were buried for more than 1,000 years at Hammerwich on the border of the Tamworth and Lichfield constituencies, will be on show at Lichfield cathedral between 30 July and 21 August, and then at Tamworth castle between 27 August and 18 September. I encourage you, Mr Speaker, all Members and certainly all Ministers to pencil those dates into their diaries so that they can see the haul for themselves, and local trades people in Tamworth can see the colour of their wallets. They can even visit Drayton manor park on the way. It is great for the kids. I assure you, Mr Speaker, that the experience will be, as the young people say, golden.

6.50 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I am grateful to everyone who has contributed to this debate, which I consider to be the anchor leg of the relay race that is the Hollobone pattern of pre-Adjournment debates. I shall have to sprint even to recognise all the Members who spoke, let alone to respond to them properly. As usual, however, I shall ensure that those to whom I, inevitably, will not be able to give an adequate answer will receive a substantive reply from colleagues in the relevant Departments.

I normally try to weave a connection between contributions, but that is impossible today—they were all on different subjects and there is no logical connection—so I shall simply deal with them as they came. The hon. Member for Carlisle (John Stevenson) talked about the importance of local radio stations, local newspapers and regional television. Of course, he is absolutely right. There is a saying that all news is local. It is essential that we maintain the local media that give people a sense of what is happening in their areas, and the issues that are important to them. I know that he has been a strong advocate of Radio Cumbria. He raised the threat that he perceives to its future, but which I do not think the BBC entirely accepts. I know that he will continue to argue for the existence of that station. I think that Members across the House will recognise the importance of BBC local radio.

The hon. Member for Gower (Martin Caton) raised a matter of particular relevance to myself and the Leader of the House, because we are both more often seen on our bicycles than in a ministerial car. Cycling safety is a crucial issue. I know that the Department for Transport has recently launched the strategic framework for road safety, and that it is particularly conscious of the dangers to cyclists as road users. It strongly encourages a wide range of measures that local authorities and others can take to make the roads safer for cyclists. He has raised a particular issue—that of stricter liability—and he knows that the Department does not currently accept that rationale for a change in the law, but I hope that he will accept that the Government are very aware of the dangers to cyclists and the need to provide better protection. He has raised an important point, which I shall make known to my ministerial colleagues.

My hon. Friend the Member for East Dunbartonshire (Jo Swinson) talked about something on which she has been campaigning very effectively—body confidence. It seems to me a basic tenet of education that we help young people to feel positive about who they are. That is essentially what she is saying. She knows about Reg Bailey's review of the commercialisation and sexualisation of childhood. It has reported and the Government have accepted the recommendation that children should always be helped to develop their emotional resilience—the word that she, too, used—in the face of the pressures put on them by what are often impossible images propagated by the press and media. We should support those efforts, because it is important for kids to realise that we do not all have to look the same, and that there is not a "good" sort of person and a "bad" sort of person based on appearance. I hope that she will continue with her effective campaign.

The hon. Member for Barnsley Central (Dan Jarvis) has a great deal of experience in defence matters, and I listened carefully to what he said. I have to argue with him, however, when he says that it is a disgrace that my right hon. Friend the Defence Secretary came to the House to make a statement yesterday. I think that it would have been a disgrace had he not done so, and not made the House aware of the Ministry of Defence's current thinking. Let us be clear: the strategic defence and security review was a huge challenge, partly because it had not been done by the previous Government. If they had not failed to do what was necessary, perhaps it would have been easier to bring forward sensible planning for our military. However, the decision to take an adaptable posture with flexible forces was right, and has been proved right by subsequent events.

The hon. Member for Keighley (Kris Hopkins) raised an important point about what happened this afternoon. I am not aware of the circumstances, so I make no judgment. I simply say this: it is absolutely and wholly wrong that a witness before a Select Committee should be assaulted in this House. Let us be in no doubt about that. That is a shameful act, and cannot be acceptable in any circumstances.

The hon. Gentleman then raised a number of other issues, which he asked me to pass on to the relevant Secretaries of State, and of course I shall do so. He talked about the teaching of English, and about independence for Keighley from Bradford. My right hon. Friend the Secretary of State for Communities and Local Government knows a thing or two about Bradford, and he may have some opinions on that subject. The hon. Gentleman also talked about tax exemption for charities, and Worth Valley young farmers club. I used to be on the executive of a young farmers club in Somerset, and I know the value of the work done by young farmers. The hon. Gentleman also talked about

[Mr David Heath]

tourism in his constituency, and about Kashmir. He knows that I cannot respond to all those points adequately, but I will ensure that he receives appropriate answers.

The hon. Member for Bridgend (Mrs Moon) raised work capacity assessments, with which there has been a continuing problem—I remember raising it under the previous Government—and the inability to deal with mental health issues effectively. She knows about Professor Harrington's review, because she talked about it. That review is an important step forward on the part of this Government.

The hon. Member for South West Bedfordshire (Andrew Selous) talked about returning officers. He engendered great sympathy from me—as a Minister without salary in this Government—when he talked about having additional responsibilities without any additional salary. He will be aware that the Parliamentary Voting System and Constituencies Act 2011 allows the Electoral Commission to withhold all or part of the fee available to counting officers. The Government are considering whether that should apply to returning officers as well. However, on the other hand, returning officers have considerable responsibilities and they have them—to coin a phrase—all the year round, not just at elections.

The right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) talked about a number of issues in his constituency. Many of them are devolved issues, as he understands, and are the responsibility of the Scottish Government. However, he made a specific request for a meeting with colleagues in the Department for Business, Innovation and Skills. I will pass that request on, and hopefully that can be arranged.

The hon. Member for Southend West (Mr Amess), as always, put in a wonderful performance, in which he managed to include more subjects than I can possibly respond to: constituents with a number of problems, buses—I am afraid that I cannot guarantee that I will attend his public meeting—rate relief for empty properties, animal testing, hepatitis C, midwives, free schools, Parliament square and phone hacking. He knows—because he has enough experience to know—that I will ensure that he receives replies to his queries from the relevant Departments.

The hon. Member for Harrow West (Mr Thomas) raised some important points about Davenham Trust Ltd. I do not know the answers to those, but I shall pass them to the Treasury to reply to him directly. He also raised an important issue—on which it sounds as if he has been fighting on behalf of his constituent Mr Chatterjee for some years—concerning the Ministry of Defence. Again, I will pass that on to the MOD.

Last but not least, the hon. Member for Tamworth (Christopher Pincher) raised the CSA and CAFCASS. I take careful note of what he said. As for the particular circumstances involving the CSA to which he referred, I will read out the note that I have here: "In short, the situation described can arise only where the income a non-resident parent derives from a property—which must be a second property and not their home—is not declared as part of the non-resident parent's net income, and if the parent with care of the child believes the non-resident parent has undeclared income and asks the agency to include any such income in the maintenance liability." I have no idea whether that satisfactorily answers the hon. Gentleman's point, but if it does not, I will ensure that he receives a more satisfactory response in due course.

The hon. Gentleman also mentioned the Staffordshire hoard. In return, I shall ask him to come and see the Frome hoard, found in my own village, which is on display in Taunton castle.

Mr Speaker, may I wish you and your colleagues, and all Members of the House, a very positive and valuable recess? I also thank all the Officers of the House for all the hard work that they do on our behalf.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Mr William Cash (Stone) (Con): On a point of order, Mr Speaker. In the rather unusual circumstances of the debate tomorrow, we have not yet had notice of the motion or the terms of the debate. However, the 17 Select Committee Chairmen, plus the chairman of the parliamentary Labour party and the chairman of the 1922 committee, and representatives of the four leaders of the devolved Administrations, have all expressed their concerns about the terms of the inquiry. I simply ask you whether it will be possible for us to table a manuscript amendment tomorrow, in the event that the motion requires amendment to satisfy the terms of early-day motion 2088.

Mr Speaker: I thank the hon. Gentleman for his point of order. He is even further ahead of the game than usual. As he has acknowledged, there is, as yet, no formal recall tomorrow, as the Standing Order does not operate until this sitting is adjourned. I can assure him and the House, however, that shortly thereafter, I shall sign the necessary order. Only after that will we know the form of the motion for tomorrow. So his point is hypothetical at the moment, but I have noted his words, as I invariably do. I hope that that is helpful to the hon. Gentleman and to the House.

CULTURE, MEDIA AND SPORT

Ordered,

That Cathy Jamieson be added to the Culture, Media and Sport Committee.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

PETITIONS

Bridgwater By-pass

7.2 pm

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): The petition states:

The Petition of residents of Bridgwater,

Declares that the Petitioners believe that EDF Energy should not be granted permission to proceed with the Hinckley Point C Nuclear Development without first constructing a northern bypass for Bridgwater from Junction 23 of the M5 to connect with the A39 west of Cannington; that such a bypass would ensure that construction traffic would avoid Bridgwater's already over-congested roads and leave the whole area a worthwhile legacy after the construction of the Hinckley Point C Nuclear Development is complete; and that the Petitioners believe that a bypass would

render an EDF facility and the Bridgwater Gateway Development an unnecessary and unjustifiable intrusion on farmland close to the residential area of North Petherton.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to ensure that permission for EDF Energy to proceed with the Hinckley Point C Nuclear Development should be conditional on the construction of a northern bypass for Bridgwater from Junction 23 of the M5 to connect with the A39 west of Cannington.

And the Petitioners remain, etc.

[P000946]

Abuse of Adults in Residential Care

7.3 pm

John Pugh (Southport) (LD): I beg leave to present to the House a petition signed by Mark Lever, the chief executive of the National Autistic Society, together with some 10,000 other signatories from across the United Kingdom gathered by the society. They are concerned about the appalling treatment of those with learning disabilities and autism spectrum disorders, as shown on the "Panorama" programme "Undercover Care: the Abuse Exposed", which was televised on Tuesday 31 May 2011.

The petition states:

The petition of supporters of The National Autistic Society,

Declares that the petitioners believe that the Secretary of State for Health should take urgent action to prevent abuse in residential care settings and work with commissioners, providers, individuals receiving support and their families to ensure that vulnerable adults are treated in a dignified, safe, enabling and respectful way.

The petitioners therefore request that the House of Commons urges the Department of Health to urgently review the work of the Care Quality Commission and the appropriateness of the inspection regime for protecting vulnerable adults in out-of-area residential accommodation.

And the Petitioners remain, etc.

[P000948]

Living Wage (Royal Household)

7.5 pm

John McDonnell (Hayes and Harlington) (Lab): This petition calls for a living wage to be paid to all those employed by the royal household. It is part of the decade-long campaign by London citizens to ensure that all Londoners are paid the London living wage. The petition, signed by more than 2,000 people, reads as follows:

To the House of Commons.

The Humble Petition of residents of London and others,

Declares that cleaners working for the Royal Households in London are paid £6.45 per hour even though the London Living Wage was set at £7.85 until April 2011—

you will know, Mr Speaker, that it has now been increased to £8.30—

declares that cleaners in the House of Commons and House of Lords are paid at the rate of the London Living wage; further declares that the Petitioners believe that as £30 million of taxpayers' money is paid to the Royal family annually for the upkeep of the Royal Households it is clear that the London living wage of £7.85—

that should now read £8.30—

is affordable.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to encourage the Royal Households to ensure that all cleaners working within the Royal Households are paid the London living wage of £8.30 per hour, a rate that is supported by the Mayor of London.

And the Petitioners remain, etc.,

[P000947]

Urban Planting

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

7.7 pm

Bob Russell (Colchester) (LD): Last Thursday, the Secretary of State for Communities and Local Government visited Colchester, at my invitation, to see for himself the wonderful open setting of fields to the west of Mile End, which have been earmarked for a huge housing development of in excess of 2,200 dwellings. If it goes ahead, it will be a planning and environmental disaster. No amount of green planting in the urban environment to replace this natural area of great beauty could compensate for what mother nature and good agricultural husbandry over the centuries have created.

After visiting the north of the town, I took the Secretary of State to a big brownfield development at the former Colchester garrison on the site of the Victorian Cavalry barracks, a short distance to the south of the town centre. It is an excellent development, but it could have been even better with more green planting and fewer areas of hard paving. I would like to see some of the latter ripped up and replaced with trees, shrubs and flowers. The Minister responding to my debate this evening has also indicated an interest in visiting the development, so I look forward to showing him around in due course. Before referring further to it, I wish to conclude my remarks about the planning disaster that confronts the people of Mile End and to ask the Minister to discuss with his boss and departmental officials how it can be stopped—or, at the very least, greatly reduced so as to minimise the environmental loss of an attractive part of the north Essex countryside. In my opinion, it matches the area of outstanding natural beauty—the designation given to Constable country, Dedham Vale—only a few miles away.

The problem goes back to the policies of the last Labour Government: core strategies, regional spatial strategies, local development frameworks and so forth. Local democracy never had a look in. Although there has been a change of Government, Colchester borough council is proceeding with the policies of the last Government rather than adapting to those of the new coalition Government. There is huge local opposition from the community of Mile End and its elected representatives. That is particularly true of Myland community council, a grass-roots council that represents an area in the north of Colchester whose population is set to quadruple over a very few years.

Mile End, the correct geographic name for this part of my constituency where I grew up, has already experienced huge development in recent years, with another 2,000-plus homes already agreed on the former Severalls hospital site—and that is before another 2,200 on the fields that the Secretary of State viewed last week from the upstairs window of a couple whose home overlooks the national award-winning Cants of Colchester rose gardens, which faces being submerged under a sea of concrete.

If "localism" is to mean what it says, I implore the Minister to do what he can to retrieve the situation. It is a huge mystery to the local community how the developers, Mersea Homes, have managed to get this project so far forward. As I have said in the House previously, it is not just that council officers and the company are singing from the same song sheet; they are the joint composers of the song.

Today's *Colchester Daily Gazette* reports that the population of the borough grew by 4,000 last year. It is the fourth fastest-growing borough in the country, and the population has now topped 181,000. Last year, an average of nearly two new homes were completed every day. In the last nine years the population of Colchester has grown by 25,000, at a rate twice the national average. It cannot go on like this. We need our green lungs, our green open spaces. Brownfield sites must take precedence over greenfield sites, and our existing urban areas need green planting, not just new developments.

I am grateful to the Horticultural Trades Association—through its backing of the Greening the UK campaign—for helping me with my speech. Further thanks go to Keep Britain Tidy and the Woodland Trust, which also contacted me to make helpful points.

Quite simply, planting and green spaces are not only beneficial but vital for the urban environment where the majority of this country's population live, but there are problems. Evidence shows that over the last 10 years the level of planting and green landscaping proposed for new developments has decreased by up to 50%. Moreover, the amount of planting delivered on new developments is substantially less than that promised during the planning process. It is well documented that a decline in planting leads to increased environmental problems, such as more flooding as rainwater runs off rather than being absorbed and more CO_2 emissions. That trend must be reversed.

Research shows that building projects with high levels of planting involve 52% fewer crimes, that hospital recovery rates can improve when planting is visible, and that workplace productivity can increase where there is visible greenery. The former Trebor sweet factory in Colchester was designed to enable members of the work force to look out on greenery.

Jim Shannon (Strangford) (DUP): The hon. Gentleman has referred to the Woodland Trust. In my constituency, the trust has been involved in a project with local schools. Children at the schools planted trees and then became their custodians, looking after them. There had been vandalism in the past, but there was no more after that, because those responsible became part of the community. Does the hon. Gentleman think that something similar could be done in his area?

Bob Russell: The hon. Gentleman has made a good point. The Woodland Trust does good work throughout the United Kingdom, and it is important for communities, especially young people, to be involved in it.

Planting and soft landscaping help to provide cleaner air for often busy and polluted urban environments, and maintain vital habitats for endangered or rare species. A good example is the Laban dance centre in Greenwich, whose green "rubble" roof has led to the return of the black redstart to the area. Colchester's new magistrates court should be mentioned in this context. It is an ugly building, but its ugliness will hopefully be masked by plants growing over it.

Plants help to mitigate climate change by absorbing CO_2 and PM_{10} emissions. Planting helps communities to adapt to climate change by directing excess rainwater

into the ground rather than diverting it into overworked drainage systems, thus reducing the surface water flooding which is a particular problem for our larger towns and cities. An example is the use of rain gardens advocated by Snohomish County in the state of Washington in the United States, where there is a very high level of rainfall. Acting like a native forest, a rain garden collects, absorbs and filters storm water run-off from roof tops, driveways, streets and other impervious surfaces. Planting helps to prevent river flooding by reducing soil erosion and stabilising river banks.

Many of those facts were recognised in the natural environment White Paper that the Government published last month. The White Paper highlights the benefits of urban green space, which provides links with the national ecological framework, and leads to reductions in crime and to social and health benefits. It states that decision makers neither understand nor take into account the economic and social values of nature in an urban environment because of concerns about management costs and risks, and that a green infrastructure partnership will be established to support the development of green infrastructure in England.

Several local authorities have excellent records on improving planting and protecting green spaces, and are working hard to protect and enhance the extent of green spaces and planting in their towns and cities. One example is the restoration by Devon county council of the main square in Barnstaple, with grassed areas, semi-mature trees and planting, making the most of the local mild micro-climate as part of the scheme. I should remind the House of my wild flower meadows debate on 18 May 2005, and specifically the new wild flower meadows at Cymbeline meadows and High Woods country parks in Colchester. High Woods has been awarded a green flag by Keep Britain Tidy.

Many councils feel powerless to enforce green planting regimes that have been promised by developers. That could be as much a result of lack of resources in the local authority as it is of not being aware of the issues involved in the problem. However, with a valuation of £2.3 billion placed on urban green spaces by the national ecosystem assessment report, it is crucial for developers to be obliged to provide more natural areas in new housing developments. With cuts to spending at local level becoming increasingly obvious, it is feared that planting could fall to the bottom of a local authority's priorities.

The Local Government Group's report published earlier this month on health and spatial planning states that planting is important, as good green space helps to improve social interaction, mental health and social behaviours. Planting in the urban environment is important not just because it is nice to look at, however, but because it can help both local authorities and developers achieve Government targets. Research by the Building Research Establishment backs that up. It has shown that in order for developers to reach level 6 of the code for sustainable homes, which is important in reaching the Government's 2016 target of zero-carbon homes, it will be important to involve landscaping and planting.

The Greening the UK campaign told me that research at the university of Reading's school of horticulture has demonstrated how plants help keep buildings cool in hot weather and insulate them against cold weather, thereby reducing the need for internal heating. I therefore urge the Government to include planting as part of the code for sustainable homes.

I commend the coalition Government on various programmes they are undertaking, such as the big tree plant. By the way, I grow trees. I have grown several hundred over the years. In 2009, I planted a young oak sapling at the Eden project from an acorn from Gilwell park, the headquarters of Scouting, to mark the centenary of Scouting in 2007. .

For all the images of a green and pleasant land, the UK remains one of the least wooded countries in Europe, with only 13% woodland cover compared with the European average of 44%. The Woodland Trust told me:

> "We need more native trees and woods in urban areas for a variety of reasons encompassing public health, flood alleviation, reduction of the 'urban heat island effect', increased wildlife and the creation of a more attractive environment within which to live, work and spend leisure time, thereby creating an environment which is also attractive for inward investment."

Urban planting is not just a "nice to have". We need a more systematic approach to the issue. That was enshrined in Liberal Democrat party policy in 2009, when during the autumn conference I moved an amendment calling for an increase in the provision of urban planting and green spaces in all new developments through better use of the planning system, including increased powers for planning authorities and improved guidance to local authorities. I urge the coalition Government to embrace that policy. This approach would allow systemic measures to be put in place through the planning system. It would also help local authorities monitor the creation of those promised new green spaces and planting that we all value so highly, while ensuring that planning agreements are fully enforced.

I also want new greening to be introduced into existing urban communities. The Greening the UK campaign has been working closely for several years with local authorities to raise the profile of urban planting. About 10 local authorities, including Liverpool, Boston and Lambeth, have adopted a motion to this effect, adapted to the needs of their own area. I hope my own town of Colchester will do so as well. In order to make a real difference around the country, I would like the coalition Government to be even more supportive of urban planting. A tree that I and my two councillor ward colleagues planted outside the Artilleryman public house in Artillery street, Colchester, in 1973-74 is flourishing.

The Minister is very supportive of urban planting. Indeed, he wrote the following in the foreword to the Greening the UK campaign's report in 2010:

> "Urban green spaces provide much needed oases in the midst of developed areas—and can greatly improve the quality of town and city life. When planned and delivered properly, they can enhance biodiversity, reduce overheating, increase energy and help to prevent flooding. But more importantly than that, they can bring people together in a pleasant environment. Good planting and landscaping have the power to transform the way we feel about ourselves, our neighbours and the places in which we live and work."

I commend him for those wise words. Can he tell the House this evening how planting will be included in the national planning framework? Will he recognise the importance of planting and landscaping when allowing

[Bob Russell]

developers to achieve level 6 of the code for sustainable homes? Will planting be included as a requirement in the code?

As a slight diversion I wish to make it clear, for the avoidance of doubt, that I am opposed to the new generation of nuclear power stations, particularly the one at Bradwell-on-Sea, in Essex.

In conclusion, I hope that this final Adjournment debate before the summer recess will not be ignored and that we will be able to leave the House this evening with a commitment from the Minister to take forward a programme of policies for green planting in the urban environment.

7.21 pm

The Minister of State, Department for Communities and Local Government (Greg Clark): It is a delight to be able to respond to the debate initiated by my hon. Friend the Member for Colchester (Bob Russell), and I congratulate him on securing it. He spoke with the characteristic passion that he brings to this subject. I am immensely flattered that he not only reads my forewords, but brings them to the House to quote from them: if I may say so, I could not have put it better myself.

My hon. Friend will know that the issue of greening has been close to my heart for many a long year. When I was a new Back Bencher, I introduced a ten-minute rule Bill, which became a private Member's Bill, to change the designation of back gardens as brownfield sites in order to allow local authorities to protect them. I did not want local authorities to be obliged to allow their redevelopment because they were in the same planning category as genuinely derelict industrial land, old railway sidings and gas works. That designation was having huge unintended consequences across the country—I say "unintended" but I fear that perhaps it did have a purpose in the minds of the Ministers who introduced it. Local people were certainly mystified that the environment in their local area that they cherish most, and which is greener than many other areas that enjoy green protection, was ripe for development and had no protection. One of the great pleasures for me of coming into government in the coalition Government was being able, as Minister, to change the national planning guidance to reclassify gardens in order to make it clear that they are not brownfield sites. I wanted the determination on gardens to be made by local people, through their local councillors, and I wanted gardens to be protected, if necessary.

The reasons for taking that approach were absolutely the ones that my hon. Friend set out. Green urban spaces, including private gardens, parks and places where trees and other greenery are planted in towns, make a disproportionate contribution to our ecology. The opportunity to preserve and, indeed, enhance bird life in our urban areas is advantaged by the pockets of green space that we have in what otherwise would be concrete deserts for wildlife. It is therefore especially important that we examine our urban environment and, first, stop, as we have, the depressing trend to concrete over back gardens and front gardens—we need to call a halt to that. I completely agree with him that we should seek not only to arrest the decline, but to repopulate our city centres with greenery so that they can, once again, be the areas of delight that have attracted people to live there over the years.

One of our national characteristics is that our towns and cities are greener than most of those in continental countries, which often have a much denser urban design scheme imposed. If one thinks of an English town—or, I dare say, one in any part of the United Kingdom—one thinks of greenery, especially at this time of year. I fully support the purpose of what my hon. Friend is seeking to bring to the attention of the House.

My hon. Friend is right that the planning system is integral. The purpose of planning is to help to achieve sustainable development, and he alluded to the fact that the question of sustainability obviously has not only an environmental aspect but an economic and social aspect. Our cities and towns will not only be more beautiful but are liable to be more prosperous if they are places where people can live comfortably and in which, if they work there, their health, happiness and well-being are enhanced. On the social aspects of sustainability, if people live and work in areas that are beautiful and green and in which there are places where they can take their leisure, the antisocial behaviour that is too often characterised by a hyper-urban un-green environment is less prevalent. The research to which my hon. Friend referred bears that out.

Our ambition is the same and we share the view that our environment can be better than it is. My hon. Friend mentioned the White Paper on the natural environment that the Department produced recently, and it is a groundbreaking paper in the sense that it moves beyond taking simply a defensive view of the natural environment that states that we should try to halt its destruction. The White Paper makes it very clear that this Government's ambition should be to enhance our environment, because, frankly, it could be better looked after than it is. Paragraph 2 states:

> "The Government wants this to be the first generation to leave the natural environment of England in a better state than it inherited."

That is a theme that should run through all Government policy and nothing would achieve that more than the points that my hon. Friend makes.

Let me say a little about what can be done to achieve such improvements. The planning system can play a very important role. My hon. Friend mentioned the fact that the planning system we have inherited has taken us away from sustainability, and we have mentioned the inclusion of gardens in the definition of brownfield sites. In general, however, the top-down approach with tightly imposed housing targets that were not set by local people who have knowledge of the local area but handed down by unelected regional bodies so that democratically elected bodies, such as district councils, had simply either to accommodate them or to have their plans rewritten by inspectors, resulted in people fearing, quite reasonably, that their local environment, which they cherished, was being changed without any involvement on their part and by people with no knowledge of it.

Bob Russell: The views of the people of Mile End, whose area is being ravaged by massive development, are being ignored, in effect. I was hoping that the Minister might be able to address that, because councillors

across the borough have ganged up, as one could say, and put all the borough's housing in one location, which is not fair on that community.

Greg Clark: I am grateful to my hon. Friend for that point. I was going to say that he knows that the Localism Bill, which was debated extensively in this House and is now with their lordships, makes wholesale changes to the planning system, the purpose of which is to give local neighbourhoods the right to have their say and not to be set aside. That is the heart of localism—that local people should be involved from the outset in such decisions, as is common on the continent. In my experience, the best developments and the best authorities are those that take into account the views of the local population.

However, there is a constraint. Until a new law is passed, the old law remains in effect. Tempting though it might be to rule by decree from day one of taking office, we have been advised—and on occasion the courts have required us—to complete the passage through Parliament of the Localism Bill before, for example, we can revoke finally the regional spatial strategies that are part of the problem and which contain the imposed numbers that local communities find alien to them.

We are making all haste with the Bill. As my hon. Friend knows, it was one of the earliest Bills that was introduced. It is a substantial Bill. We moved heaven and earth to make sure that it was part of the Government's early package of legislation. It is making good progress. Its intentions have enjoyed a degree of consensus in the House. Even the official Opposition now recognise that the regional apparatus and the regional strategies are not the way forward, so there is a strong consensus in favour of a more localist approach. Unless and until the Bill is enacted, which I hope will not take too long, the frustrations that my hon. Friend describes will continue for what I hope will be just a few more months.

I hope local people are already preparing for the new world that is about to dawn. The Bill includes neighbourhood planning. On the possibility of projecting a vision for the future in their communities, the Bill gives every neighbourhood the chance to put together a local plan which for the first time will have teeth. It will become part of the development plan if a majority of the local population in that neighbourhood vote for it and it is found to be a sound and reasonable plan. The ability to adopt a neighbourhood plan will come with the Localism Bill and its commencement.

I hope communities such as the one in Mile End described by my hon. Friend are already thinking about the shape of their neighbourhood plan and beginning to do some of the research and the consultations. I am looking forward to my visit to Colchester, and after the debate I will be happy to get in touch with my hon. Friend to see whether some of the communities in his constituency might want to work with my Department and become front runners for some of the neighbourhood planning provisions so that they can have a head start and other communities around the country can learn from that. I hope they will be on the starting grid, ready to move as soon as the powers come in.

As my hon. Friend knows, there was a commitment, which was initially promoted by our hon. Friend the Member for Cheltenham (Martin Horwood), to introduce a designation for valued community green space that should be available to communities to protect. There have been some problems with the village green procedures and definitions, but we have made a commitment to consult on a designation that can be part of local and neighbourhood plans, and we will be consulting on that shortly. We know that green spaces are incredibly important to local life. We are committed to protecting them, but the people who can best identify them are not Ministers or officials in central Government but the people living in those communities who know what is needed there.

Given the importance of green spaces to the health and happiness of local communities, I hope my hon. Friend's communities are already thinking about the green spaces that they may want to avail themselves of the opportunity to list, to give them greater confidence in the future. There are various other rights in the Localism Bill, including the right to identify land that is of community value, so that if it is ever sold and has been in community use, the community will have the chance to make a bid to take it over and keep it in community use.

My hon. Friend mentioned the big tree plant campaign, and I am glad that he personally takes part in it. As ever with these things, he has pre-empted what has become coalition policy by having his own personal commitment to it. Significant progress has been made: 100,000 trees have been planted in the first six months and we know, here in central London, how tree planting softens the urban environment.

Many steps are being taken. Planning is key, but I hope that some of the reforms I have mentioned and some of the approaches that we are taking to protect green space, to empower communities and to make better use of that green space will encourage my hon. Friend and his constituents and show that we have already made some progress. The change regarding gardens is a big step in that direction and the tree planting is another. With the enactment of the Localism Bill will come new rights that cannot be taken away from local communities.

I am very grateful to have had the opportunity to speak on a subject that I feel as passionately about as my hon. Friend, and I take this opportunity to wish you, Mr Speaker, and all Officers of the House, as well as our colleagues, a very happy and enjoyable summer break.

Question put and agreed to.

7.36 pm

House adjourned.

House of Commons

Wednesday 20 July 2011

The House met at half-past Eleven o'clock, notice having been given by Mr Speaker (Standing Order No. 13)

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: I have a short statement to make.

I was very concerned at the incident in the Culture, Media and Sport Committee hearing yesterday. It is wholly unacceptable for a member of the public to treat, and to be able to treat, a witness in this way. It is all the more regrettable that such an incident should happen at a time when, particularly over the last few days, the work of this House and its Committees has enhanced the reputation of Parliament.

I have immediately set in hand an expert investigation into what took place, the reasons for the security failure and the lessons to be learned. This investigation will be entirely independent of the House authorities.

Public Confidence in the Media and Police

11.35 am

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I would like to make a statement.

Over the past two weeks, a torrent of revelations and allegations has engulfed some of this country's most important institutions. It has shaken people's trust in the media and the legality of what they do, in the police and their ability to investigate media malpractice, and yes, in politics and in politicians' ability to get to grips with these issues. People desperately want us to put a stop to the illegal practices, to ensure the independence and effectiveness of the police, and to establish a more healthy relationship between politicians and media owners. Above all, they want us to act on behalf of the victims: people who have suffered dreadfully—including through murder and terrorism—and who have had to relive that agony all over again because of phone hacking. The public want us to work together to sort this problem out, because until we do so it will not be possible to get back to the issues they care about even more: getting our economy moving, creating jobs, helping with the cost of living, protecting us from terrorism, and restoring fairness to our welfare and immigration systems.

So let me set out the action we have taken. We now have a well-led police investigation which will examine criminal behaviour by the media and corruption in the police. We have set up a wide-ranging and independent judicial inquiry under Lord Justice Leveson to establish what went wrong, why and what we need to do to ensure it never happens again.

I am the first Prime Minister to publish meetings with media editors, proprietors and senior executives to bring complete transparency to the relationship between Government Ministers and the media, stretching right back to the general election. And the House of Commons, by speaking so clearly about its revulsion at the phone hacking allegations, helped to cause the end of the News Corp bid for the rest of BSkyB.

Today, I would like to update the House on the action we are taking, first, on the make-up and remit of the public inquiry; secondly, on issues concerning the police service; and thirdly, I will answer—I am afraid at some length—all of the key questions that have been raised about my role and that of my staff.

First, on the judicial inquiry and the panel of experts who will assist it, those experts will be: the civil liberties campaigner and director of Liberty, Shami Chakrabarti; the former chief constable of the West Midlands, Sir Paul Scott-Lee; the former chairman of Ofcom, Lord David Currie; the long-serving former political editor of Channel 4 News, Elinor Goodman; the former political editor of *The Daily Telegraph* and former special correspondent of the Press Association, George Jones; and the former chairman of the *Financial Times*, Sir David Bell. These people have been chosen not only for their expertise in the media, broadcasting, regulation and policing, but for their complete independence from the interested parties.

I also said last week that the inquiry will proceed in two parts, and I set out a draft terms of reference. We have consulted Lord Justice Leveson, the Opposition, the Chairs of relevant Select Committees, and the devolved Administrations. I also talked to the family of Milly Dowler and the Hacked Off campaign.

[The Prime Minister]

We have made some significant amendments to the remit of the inquiry. With allegations that the problem of the relationship between the press and the police goes wider than just the Met, we have agreed that other relevant forces will now be within the scope of the inquiry. We have agreed that the inquiry should consider not just the relationship between the press, police and politicians, but their individual conduct too. We have also made it clear that the inquiry should look not just at the press, but at other media organisations, including broadcasters and social media if there is any evidence that they have been involved in criminal activities. I am today placing in the Library of the House the final terms of reference. Lord Justice Leveson and the panel will get to work immediately. He will aim to make a report on the first part of the inquiry within 12 months. There should be no doubt: this public inquiry is as robust as possible; it is fully independent; and Lord Justice Leveson will be able to summon witnesses under oath.

Let me now turn to the extraordinary events we have seen over the past few days at Britain's largest police force, the Met. On Sunday, Sir Paul Stephenson resigned as Commissioner of the Metropolitan Police. I want to thank him for the work he has carried out in policing over many, many years in London and elsewhere. On Monday, Assistant Commissioner John Yates also resigned, and again, I want to express my gratitude for the work he has done, especially in improving our response to terrorism.

Given the sudden departure of two such senior officers, the first concern must be to ensure that the effective policing of our capital, and confidence in that policing, are maintained. I have asked the Home Secretary and the Mayor of London to ensure that the responsibilities of the Met will continue seamlessly. The current Deputy Commissioner, Tim Godwin, who stood in for Paul Stephenson when he was ill and did a good job, will shortly do so again. The vital counter-terrorism job carried out by John Yates will be taken on by the highly experienced Cressida Dick.

The responsibilities of the Deputy Commissioner, which, the House will remember, includes general oversight of the vital investigations both into hacking and into the police—Operations Weeting and Elveden—will not be done by someone from inside the Met, but instead by Bernard Hogan-Howe, who will join temporarily from Her Majesty's inspectorate of constabulary.

We are also looking to speed up the process for selecting and appointing the next commissioner, but we cannot hope that a change in personnel at the top of the Met is enough. The simple fact is that the whole affair raises huge issues about the ethics and practices of our police. Let me state this plainly: the vast majority of our police officers are beyond reproach and serve the public with distinction. But police corruption must be rooted out. Operation Elveden and Lord Justice Leveson's inquiry are charged with doing just that, but I believe that we can and must do more.

Put simply, there are two problems: first, a perception that when problems arise it is still "the police investigating the police"; and secondly, a lack of transparency in terms of police contacts with the media. We are acting on both. Those were precisely the two points that my right hon. Friend the Home Secretary addressed in her statement to this House on Monday.

We believe that this crisis calls for us to stand back and take another, broader look at the whole culture of policing in this country, including the way it is led. At the moment, the police system is too closed. There is only one point of entry into the force. There are too few, and arguably too similar, candidates for the top jobs. As everyone knows, Tom Winsor is looking into police careers, and I want to see radical proposals for how we can open up our police force and bring in fresh leadership. The Government are introducing elected police and crime commissioners, ensuring that there is an individual holding their local force to account for local people, and we need to see whether we can extend that openness to the operational side too.

Why should all police officers have to start at the same level? Why should not someone with a different skill set be able to join the police force in a senior rank? Why should not someone who has been a proven success overseas be able to help us to turn around a force here at home? I believe that those are questions we should ask to get the greater transparency and stronger corporate governance we need in Britain's policing.

Finally, let me turn to the specific questions that I have been asked in recent days. First, it has been suggested that my chief of staff was behaving wrongly when he did not take up then Assistant Commissioner Yates's offer to be briefed on police investigations around phone hacking. I have said repeatedly about the police investigation that they should pursue the evidence wherever it leads and arrest exactly whom they wish, and that is exactly what they have done.

No. 10 has now published the full e-mail exchange between my chief of staff and John Yates, and it shows that my staff behaved entirely properly. Ed Llewellyn's reply to the police made it clear that it would be not be appropriate to give me or my staff any privileged briefing. The reply that he sent was cleared in advance by my permanent secretary, Jeremy Heywood. Just imagine, Mr Speaker, if they had done the opposite and asked for, or acquiesced to, receiving privileged information, even if there was no intention to use it. There would have been quite justified outrage.

To risk any perception that No. 10 was seeking to influence a sensitive police investigation in any way would have been completely wrong. Mr Yates and Sir Paul both backed that judgment in their evidence yesterday. Indeed, as John Yates said:

"The offer was properly and understandably rejected."

The Cabinet Secretary and the Chair of the Home Affairs Committee have now both backed that judgment, too.

Next, there is the question of whether the ministerial code was broken in relation to the BSkyB merger and meetings with News International executives. The Cabinet Secretary has ruled very clearly that the code was not broken, not least because I had asked to be entirely excluded from the decision.

Next, I would like to set the record straight on another question that arose yesterday: whether the Conservative party had also employed Neil Wallis. The Conservative party chairman has ensured that all the accounts have been gone through. He has confirmed to me that neither Neil Wallis nor his company have ever been employed or contracted by the Conservative party, and nor has the Conservative party made payments

to either of them. It has been drawn to our attention that he may have provided Andy Coulson with some informal advice on a voluntary basis before the election. To the best of my knowledge, I did not know anything about this until Sunday night. But, as with revealing this information, we will be entirely transparent about this issue.

Finally, there is the question of whether everyone—the media, the police and politicians—is taking responsibility in an appropriate manner. I want to address my own responsibilities very directly, and that brings me to my decision to employ Andy Coulson. I have said very clearly that if it turns out that Andy Coulson knew about the hacking at the *News of the World*, he will not only have lied to me, but he will have lied to the police, a Select Committee and the Press Complaints Commission, and of course perjured himself in a court of law. More to the point, if that comes to pass, he could also expect to face severe criminal charges. I have an old-fashioned view about innocent until proven guilty, but if it turns out that I have been lied to, that would be the moment for a profound apology. In that event, I can tell you that I will not fall short. My responsibilities are for hiring him and for the work he did in Downing street. On the work he did, I repeat, perhaps not for the last time, that his work at Downing street has not been the subject of any serious complaint and, of course, he left months ago. On the decision to hire him, I believe that I have answered every question about that. It was my decision—*[Interruption.]* Hold on. It was my decision; I take responsibility—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Prime Minister. The House must come to order and hear, in silence, the remainder of the statement.

The Prime Minister: People will, of course, make judgments about it. Of course, I regret, and I am sorry about, the furore it has caused. With 20:20 hindsight and all that has followed, I would not have offered him the job, and I expect that he would not have taken it. But you do not make decisions in hindsight; you make them in the present. You live and you learn and, believe you me, I have learned.

I look forward to answering any and all questions about these issues. Following the statement, I will open the debate, but the greatest responsibility I have is to clear up this mess, so let me finish by saying this. There are accusations of criminal behaviour by parts of the press and potentially by the police where the most rapid and decisive action is required. There are the issues of excessive closeness to media groups and media owners where both Labour and Conservative have to make a fresh start. There is the history of missed warnings—Select Committee reports; Information Commissioner reports. They were missed by the last Government but, yes, missed by the official Opposition, too. What the public expect is not petty political point scoring. What they want and deserve is concerted action to rise to the level of events and a pledge to work together to sort this issue out once and for all. It is in that spirit that I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): May I begin by thanking the Prime Minister for his statement? Recalling Parliament was the right thing to do, because rebuilding trust in the press, police and politics is essential for our society. The most powerful institutions in the land must show the responsibility that we expect from everybody else. That is why the country wants answers from those involved in the crisis so that those responsible can be held to account, and so that we as a country can move forward to address all the issues that the Prime Minister mentioned in his statement.

That is why I welcome Lord Leveson's inquiry, the announcement of the terms of reference and, indeed, the panel members chosen by the Prime Minister for that purpose. It is why I welcome the Prime Minister's agreement with us about the abolition of the Press Complaints Commission and the fact that it needs to be replaced. It is why I welcome the apology from Rupert Murdoch and the withdrawal of the BSkyB bid. It is why we respect the decision by Sir Paul Stephenson to stand down so that, going forward, the leadership of the Met can focus on the vital work that is necessary.

So we are beginning to see answers given and responsibility taken, and that is right, but the Prime Minister knows that he must do the same if the country is to move forward. *[Interruption.]* I have a number of questions for him. He said in his statement—*[Interruption.]*

Mr Speaker: Order. I said a few moments ago that the remainder of the Prime Minister's statement should be heard in silence. *[Interruption.]* Order. I say the same to Members who are now heckling: think of what the public think of our behaviour and stop it without delay.

Edward Miliband: Let me start with BSkyB. The Prime Minister said in his statement something that he has said on a number of occasions, which is that he was excluded from the "formal" decision-making process. With respect, that does not quite answer the questions that he has been asked. Last Friday, he revealed that since taking office he had met representatives of News International or News Corp, including Rebekah Brooks and James Murdoch, on 26 separate occasions, so the first question that I have for him is whether he can assure the House that the BSkyB bid was not raised in any of those meetings or in phone calls with those organisations, and whether he can also say whether at any time he discussed the bid with the Culture Secretary or, indeed, with any of the Culture Secretary's officials.

Let me turn to Andy Coulson. Ten days ago, the Prime Minister said of his decision to employ Andy Coulson:

> "I wasn't given any specific information that would lead me to change my mind."

The country has a right to expect that the Prime Minister would have made very effort to uncover the information about Mr Coulson to protect himself and his office, yet the pattern of events suggests the opposite—that the Prime Minister and those around him made every effort not to hear the facts about Mr Coulson. In the past week, we have become aware of five opportunities for the Prime Minister or his staff to act on specific information that would surely have led him to change his mind about Mr Coulson—all were declined. His chief of staff, Ed Llewellyn, was told in February 2010 that Mr Coulson had hired a convicted criminal to work at the *News of the World* who was accused of making payments to police on behalf of the newspaper. Even Rebekah Brooks said yesterday that this decision was "extraordinary", yet the Prime Minister's chief of staff

[Edward Miliband]

apparently did nothing with the information. In May 2010, the Deputy Prime Minister warned the Prime Minister about bringing Mr Coulson into Downing street. He did nothing.

On 1 September 2010 *The New York Times* published an investigation quoting multiple sources saying that Mr Coulson knew about hacking that was rife at the *News of the World*. We now know from John Yates that that article was enough to lead the police to reopen their inquiries and it led to Operation Weeting. We also know now that it triggered the termination of the Metropolitan police's contract with Neil Wallis, Mr Coulson's former deputy at the *News of the World*, and it led to the offer by Mr Yates to Ed Llewellyn for the Prime Minister to be briefed.

The Cabinet Secretary has said it is right that the offer was not taken up, but the question is, why? Because the Prime Minister was compromised by his relationship with Mr Coulson and therefore could not be told anything at all about an investigation concerning a member of his own staff. He was hamstrung by a conflict of interest. But the Prime Minister should not have had to rely on briefings from his chief of staff. Here was a major investigation, published by a leading global newspaper about the Prime Minister's director of communications. The Met fired Mr Wallis, even though he was not mentioned in the article, because of the associations he had with Mr Coulson and the publication of the article. What did the Prime Minister do? He did nothing.

Given *The New York Times'* evidence, the public will rightly have expected very loud alarm bells to ring in the Prime Minister's mind, yet apparently he did nothing. Then in October the Prime Minister's chief of staff was approached again by *The Guardian* about the serious evidence that it had about Mr Coulson's behaviour. Once more, nothing was done. This cannot be put down to gross incompetence. It was a deliberate attempt to hide from the facts about Mr Coulson. *[Interruption.]*

Mr Speaker: Order. Members shouting out should not be doing so. They must calm themselves and keep on an even keel. It is better for their health and for the House.

Edward Miliband: The Prime Minister was caught in a tragic conflict of loyalty between the standards and integrity that people should expect of him and his staff, and his personal allegiance to Mr Coulson. He made the wrong choice. He chose to stick with Mr Coulson.

My second question is: can the Prime Minister now explain why he failed to act on clear information, and why those around him built a wall of silence between the facts and the Prime Minister? The Prime Minister's conflict of interests had real effects. The Metropolitan Police Commissioner resigned on Sunday. The Prime Minister did not talk about the reasons for his resignation, but the House must talk about it. Sir Paul Stephenson was trapped. He was trapped between a Home Secretary angry at not being told about the hiring of Mr Coulson's deputy, Neil Wallis, and Sir Paul's belief, in his own words, that doing so would have compromised the Prime Minister—compromised him because of Mr Coulson. Why did Sir Paul think that? Because his own deputy, John Yates, had been told by the Prime Minister's chief of staff that the Prime Minister should be told nothing.

This catastrophic error of judgment—hiring Andy Coulson and hanging on to him for too long—directly contributed to the position that Sir Paul found himself in and his decision to resign. My third question is: does the Prime Minister accept that his conflict of interest put the Metropolitan Police Commissioner in an impossible position?

So the three questions are about BSkyB, the warnings about Mr Coulson that were consistently ignored, and the Met Commissioner. These and many other questions will have to be answered by the Prime Minister over the coming months, but there is one other question that matters now. He says that in hindsight he made a mistake by hiring Mr Coulson. He says that if Mr Coulson lied to him, he would apologise. That is not good enough. It is not about hindsight or whether Mr Coulson lied to him; it is about all the information and warnings that he ignored. He was warned, but he preferred to ignore the warnings. So that the country can have the leadership we need, why does he not do more than give a half apology and provide a full apology now for hiring Mr Coulson and bringing him into the heart of Downing street?

The Prime Minister: I say to the right hon. Gentleman: stop hunting for feeble conspiracy theories and start rising to events. Most of his remarks were just a tissue of totally—*[Interruption.]* I shall try to answer every point. First, I thank him for what he said about recalling Parliament. That was the right thing to do. I also thank him for what he said about Lord Leveson, whom I think will do a good job, and about the panel. We sent the names to his office this morning.

I feel, however, that the right hon. Gentleman wrote most of his questions before he heard my statement today. He asked about BSkyB. The Cabinet Secretary has said that there was no breach of the ministerial code. We heard the evidence of Rebekah Wade yesterday, saying that there was not one single inappropriate conversation. When it comes to setting out meetings with News Corporation, I should point out that I have set out every single meeting since the last election. The right hon. Gentleman published a list this morning, but it did not go back to the last election. Indeed, when are we going to see the transparency from Tony Blair and Gordon Brown?

Secondly, on the right hon. Gentleman's questions about Andy Coulson—*[Interruption.]*

Mr Speaker: Order. The House is getting over-excited again. I am glad that it has calmed down and will want to listen to the Prime Minister.

The Prime Minister: Secondly, the right hon. Gentleman asked about Andy Coulson. I remind him that no one has raised a single question about his conduct at No. 10 Downing street. There is today only one party leader with a News International executive sitting in his office with a cloud over his head.

Thirdly, the right hon. Gentleman raised questions about my chief of staff, Edward Llewellyn. On the proposed meeting with John Yates, is the Leader of the Opposition really suggesting that he knows better than

the Chairman of the Home Affairs Select Committee, the Cabinet Secretary, John Yates, Paul Stephenson and others, including Jeremy Heywood, who, by the way, worked diligently for Tony Blair and Gordon Brown? Is he saying that all those people are wrong and he is right? I think that that shows a staggering lack of judgment.

I want to answer the question about Sir Paul's resignation. I know that it is inconvenient for the right hon. Gentleman, but Sir Paul Stephenson set out the reasons for his resignation yesterday in detailed evidence and explained how his situation was so different from that in No. 10 Downing street. Most of the questions that the right hon. Gentleman asked I have already answered: the role of the chief of staff—answered. The parallels with the Metropolitan police—answered. The role of Mr Wallis—answered. On the closeness to media groups, we should be clear about what we heard yesterday. Rupert Murdoch said that the politician he was closest to was Gordon Brown as Chancellor—and who was adviser to Gordon Brown when he was Chancellor? *[Interruption.]*

Mr Speaker: Order. Back Benchers are getting over-excited but will want to hear the answers given by their Prime Minister.

The Prime Minister: Who was adviser to Gordon Brown when he was Chancellor? It was the right hon. Gentleman.

On the action that we have taken, we should remember that during the previous Parliament, the Information Commissioner's reports were ignored. Select Committee reports—[HON. MEMBERS: "Ignored!"] The failure of the police investigation—[HON. MEMBERS: "Ignored!"] We now know exactly which party was the slumber party—the Labour party. Everyone can see exactly what the right hon. Gentleman is doing. He is trying to play this for narrow party advantage, but the problem has been taking place over many years and is for both our main parties. The public expect us to stop playing with it, rise to the occasion and deal with it for the good of the country.

Mr David Davis (Haltemprice and Howden) (Con): Under the previous Labour Government, when my hon. Friend the Member for Ashford (Damian Green) was arrested by the Metropolitan police, the Prime Minister and Home Secretary of the day were not notified of the details of that investigation. At the time Labour Front Benchers insisted it was a matter of ministerial propriety that they were not told. Is it not therefore the case that not only has Mr Llewellyn not done wrong, but he has done exactly what a public servant should do, and to say otherwise is hypocrisy?

The Prime Minister: My right hon. Friend makes a very good point. I think when we read the exchange of e-mails and see what Edward Llewellyn said, we see that it was cleared in advance by Jeremy Heywood and it was absolutely right. We do not live in a country, thank God, where the Prime Minister starts ordering who should be arrested and who should not be.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): The Home Secretary made a statement on Monday of more than 1,000 words, but the two words "Neil" and "Wallis" were not mentioned. She, like me, was unaware of his appointment, but we were not in a situation where Neil Wallis's best buddy was working for us. The Prime Minister was. Did he know that Neil Wallis was giving advice to the Metropolitan police?

The Prime Minister: No, I did not know that, and as I have said in relation to the work he did for Andy Coulson, I was unaware of that. I think this is an important point, because one of the issues is, frankly, the transparency and information that there was about Neil Wallis and the Metropolitan police. The one thing everyone has to say about No. 10 Downing street is that there was no hiding the fact that we had employed Andy Coulson.

Simon Hughes (Bermondsey and Old Southwark) (LD): I join the Prime Minister in paying tribute to Sir Paul Stephenson and thank him for the announcements he has made, but will he now explicitly say that he accepts that all Governments from this one back, for over 20 years, have been far too close to the media giants in this country; that that has to end, which means no more back-door visits to No. 10; that we should be able to have sight of not just party political papers but, if necessary, Cabinet papers; and that the recommendations of the Information Commissioner and others should be implemented, to increase criminal penalties for illegality immediately?

The Prime Minister: First, I accept the point that the right hon. Gentleman makes about transparency, and what I have set out is not just meetings that were, if you like, business meetings—official meetings with media executives and proprietors—but private meetings as well.

In relation to the meeting I held with Rupert Murdoch, the question is not whether he came in through the back door or front door but whether it was declared in the proper way, and yes, it was. In the old days, the only way we found out whether someone had met Rupert Murdoch was by waiting for Alastair Campbell's diaries. In our case we have been very transparent about it. The information goes all the way back to the election and includes both private and official meetings, whether they were at Chequers or No. 10 Downing street. I think we need to go further in that regard, and I think that should be the new standard. I say to the Leader of the Opposition, who has published the information back to when he became leader of the Labour party: why cannot we see it right back to the general election?

Mr Jack Straw (Blackburn) (Lab): When the Prime Minister read of the extensive investigation in *The New York Times* on 1 September last year, what was his reaction, and what did he do?

The Prime Minister: The question I ask myself all the way through is, "Is there new information that Andy Coulson knew about hacking at the *News of the World*?" I could not be clearer about this: if it turns out that he knew about that hacking, he will have lied to a Select Committee, he will have lied to the police, he will have lied to a court of law and he will have lied to me. I made the decision to employ him in good faith, because of the assurances he gave me. There was no information in that article that would lead me to change my mind about those assurances, but if it turns out—*[Interruption.]*

[The Prime Minister]

As I said, I could not be clearer. If it turns out that he knew about the hacking, that will be a matter of huge regret and a matter for great apology, and it will be not only a disgrace that he worked in government but, vitally, something that would be subject to criminal prosecutions.

Mr John Whittingdale (Maldon) (Con): Does my right hon. Friend agree that what people really care about are the appalling revelations of what has been going on in the newsroom of the *News of the World* and in parts of the Metropolitan police, and that the public anger about that is expressly felt by thousands of hard-working and honest journalists, and by thousands of dedicated and courageous police officers? Does he agree that, for that reason, it is essential that the police investigation should be completed as quickly as possible, that the Independent Police Complaints Commission investigation should be completed and that the judicial inquiry should get under way and be completed as quickly as possible? Can he give us an absolute assurance that those investigations will now be given the priority that they should have been given a long time ago?

The Prime Minister: My hon. Friend is entirely right. We have to keep the victims of the hacking scandal at the absolute heart of this. Those are the people who have suffered appallingly already and were made to suffer all over again. The key thing here is the extent and scale of the judicial inquiry. An inquiry such as this— into the media, into malpractice, into the police and, yes, into politicians too—has not been held for many, many years. It has been talked about and debated, but it is now going to get under way and I want it to get on with its work as rapidly as possible.

Mr Tom Watson (West Bromwich East) (Lab): I must challenge the Prime Minister on the accuracy of one of his assertions. He said that nobody raised Andy Coulson's conduct with him while he worked for the Prime Minister. I did, in a letter on 4 October last year, after new allegations that he had listened to tapes of intercepted voicemail messages came through. I said in the letter that this cast doubt on the accuracy of Mr Coulson's statement. I am still waiting for a reply.

The Prime Minister: Let me pay tribute to the hon. Gentleman, to what he has done and his role in this. The point I am making is simply this: the time that Andy Coulson spent at No. 10 Downing Street and the work that he did for the Government, no one has made a complaint against. That seems to me to be important, because I have said that I gave him a second chance after he had resigned from the *News of the World* because of what happened under his watch. No one has raised with me any of his conduct at No. 10 while he carried out that job.

Charlie Elphicke (Dover) (Con): The Prime Minister has said that contacts with the media since the general election will be published. I do not think that that is good enough. We need to know the contacts that the Government have had with the media for the past 10 years. We also need an investigation into the Home Office and into what Home Office Ministers were doing.

The Prime Minister: The point that I have just made is that this inquiry is specifically looking at the relationship between politicians and the media, and—at the request of Hacked Off and the Dowler family—at the conduct of both. That inquiry can go back as far as it wants to go back, to examine the relationship between politicians and the media. Frankly, I think that we all need to be clear—particularly the two main parties—that the level of contact has been very great, and that we did spend too much time trying to get on with media companies to get our message across. As a result, the last Government and the last Opposition too often put on the back burner the issue of how to regulate the media. That is the mistake that we made. We have both—all—got to be honest about it. And by the way, this is not just about the relationship with News International; it is also about the work we do trying to win over the BBC or *The Independent* or *The Guardian*. Let us be frank about this, and let us be transparent about the meetings that we have. Then we can learn the lessons and use this as a cathartic moment to sort out the relationship and put it on a better footing.

Keith Vaz (Leicester East) (Lab): I am not sure whether the Prime Minister was awake at 5 o'clock this morning—

The Prime Minister *indicated assent.*

Keith Vaz: I am glad to hear it. The Home Affairs Select Committee published a unanimous report that pointed to the fact that we believe that there were serious misjudgments in the police investigation and that News International had deliberately thwarted the police investigation. The Prime Minister will not have had a chance to read the evidence of Lord Macdonald of River Glaven, who said that he took five minutes to look at a file to realise that there was criminality. That file was with Harbottle & Lewis for four years. Will the Prime Minister send out a message from the Dispatch Box that anyone who has information about this matter should hand it over immediately to Sue Akers and explain why it has been withheld?

The Prime Minister: I will certainly send out that message from the Dispatch Box, at the same time as thanking the right hon. Gentleman for the work that his Committee has done. I have not been able to study all the evidence given yesterday, but I did look at the key conclusions of his report this morning. The work that his Committee is doing in drilling down into the conduct of News International—and, indeed, of the police—is extremely valuable. But now we have to let the police investigation—now properly resourced—get under way, to get to the truth and to ensure that there are prosecutions as appropriate, and then let the inquiry get under way to do its work as well. The right hon. Gentleman has played a very good role in helping to make that happen.

Andrea Leadsom (South Northamptonshire) (Con): Does the Prime Minister share my concern that, at a time when this House is involved in a very important discussion about this awful issue of phone hacking, and when most people in the country are most concerned about what is going on in the eurozone area and the impact that that might have on their jobs and their employment in this country, the Leader of the Opposition is so narrowly focused on scoring party political points?

The Prime Minister: The point I would make to all hon. Members is that the public want us to sort this out, and one of the reasons they want us to sort it out and to do it on a cross-party basis is that they want us to get on to the other issues that they care so deeply about. Everyone has got to recognise the threat and the problems that we face as there are difficulties in the eurozone—difficulties that will affect us right here in the UK. But I fully understand and recognise that we have got to deal with this before we can get on to those issues.

Mr Ben Bradshaw (Exeter) (Lab): In the Prime Minister's conversations with the Murdochs, with Mrs Brooks and other News Corp people, was there ever any mention of the BSkyB bid?

The Prime Minister: As Rebekah Brooks said yesterday in Parliament, there was never a conversation that could have been held, in front of the Select Committee. *[Interruption.]* The right hon. Gentleman asks me to answer the question—perhaps he will now be transparent, as he was Culture Secretary, about all the contacts he has had with News International over many years. I have set out the clearest possible position; it is for others now to do the same thing.

Jo Swinson (East Dunbartonshire) (LD): In the light of Mrs Brooks's revelations about quite how cosy and close the relationship was between News International and Tony Blair, and Murdoch's secret back-door meetings at No. 10 under both the last and present Governments, does the Prime Minister agree that this explains why successive Governments have been so reluctant to act in response to the 2003 Culture, Media and Sport Committee recommendations, the 2006 Information Commissioner report, and calls last year from Lib Dem MPs for a judicial inquiry into phone hacking? *[Interruption.]*

The Prime Minister: People should not shout the hon. Lady down, because she is making a very fair point, and frankly, it is a point that does not reflect very well on either Conservative or Labour, which is that there were a lot of warnings about what was going wrong—warnings from the Information Commissioner, warnings from the Select Committee—but we did not put high enough up the agenda the issue of regulating the media. We should not be pointing fingers about this; we should be recognising that we need to work on this to get it right, to respond to those reports and actually put some of their proposals into the law.

Chris Bryant (Rhondda) (Lab): My right hon. Friend the Member for Leicester East (Keith Vaz), who chairs the Home Affairs Committee, referred earlier to the file compiled in 2007 that was sent off to the legal firm, Harbottle & Lewis. In that, according to Lord Macdonald, the former Director of Public Prosecutions, there is absolutely blindingly obvious evidence that police officers were paid for information by the newspaper. News International is still refusing to allow that to be fully considered and is insisting on client confidentiality, so Harbottle & Lewis, which is an important British firm, is unable to put its side of the argument. Is this not clear evidence that News International, contrary to the pretend humility yesterday, is still refusing to co-operate fully with the investigation?

The Prime Minister: The point I would make is that that information, if it is germane to the police inquiry, needs to be given to the police and indeed to the Leveson inquiry. What we need to happen now is for the police—and then after the police, this inquiry—to go absolutely in pursuit of the truth, and if people have been paying police officers, those police officers need to be prosecuted and the people who did the paying need to be prosecuted. It is as simple as that.

Mr James Clappison (Hertsmere) (Con): After hearing the evidence that was given to the Home Affairs Committee, may I warmly welcome what my right hon. Friend has said today about the attention that will be given to the victims of phone hacking, which includes a wide variety of people, including many members of the public who have suffered tragedies in their lives? Is my right hon. Friend aware that, in the evidence to the Home Affairs Committee, it emerges that it will take a considerable time at the present rate of progress for all those victims to be properly informed? Will he do whatever he can to ensure that they are informed as quickly as possible, and that their cases are now properly investigated?

The Prime Minister: My hon. Friend makes a good point and I do understand, when there are many thousands of people whose phones were hacked, and given the current rate of progress in contacting them and looking into this, that it could take too long a time to get this done. I know there will be conversations with the police and the Metropolitan Police Authority to make sure that adequate resources are put into this investigation, which is already a far bigger investigation than the first, failed investigation, to make sure that they get to the bottom of this.

Mr Nigel Dodds (Belfast North) (DUP): I welcome the Prime Minister's decision to widen the terms of reference for the Leveson inquiry to include not just the press but broadcasters and social media as well. Can I be reassured that it will also include other illegal and unethical activities such as so-called blagging and hacking into e-mail accounts; that it will extend to all parts of the United Kingdom; and that, in the interests of the victims of crime and terrorism in particular, both main parties will be absolutely open about the extent of their relationship with the Murdoch empire?

The Prime Minister: On the last point about the relationship with News Corporation, Rupert Murdoch and his family, I have been totally transparent and will go on being transparent. On the issue of what the terms of reference mention, of course the inquiry can look at blagging and all the information crimes that have been documented. One issue regarding the terms of reference is whether mentioning some forms but not others would give additional priority. However, no one should be in any doubt about this—Lord Justice Leveson can go where the evidence leads.

Louise Mensch (Corby) (Con): Does my right hon. Friend agree that after the extraordinary events of the past few days, the last thing the general public want to see is cheap partisanship—*[Interruption.]*

Mr Speaker: Order. I want to hear the hon. Lady.

Louise Mensch: And that a focus on Andy Coulson comes ill from the party of Tom Baldwin and Damian McBride?

The Prime Minister: My hon. Friend makes a good point. May I commend her for her questioning and what she did yesterday on the Select Committee? I think she showed commendable pluck, if I can put it that way, as well as asking some extremely pertinent questions.

Mr Dennis Skinner (Bolsover) (Lab): In the course of the past few minutes the Prime Minister has been asked a simple question twice and refused to answer it: as Prime Minister, did he ever discuss the question of the BSkyB bid with News International at all the meetings they attended?

The Prime Minister: I never had one inappropriate conversation, and let me be clear: I completely took myself out of any decision making about this bid. I had no role in it and I had no role in when the announcements were going to be made. That is the point. When the hon. Gentleman makes signals like that, I have to say—

Mr Speaker: Order. The House again needs to calm down. The question was properly heard and the Prime Minister's answer must be properly heard.

The Prime Minister: I have answered the question and the point I would make is that unlike the party that the hon. Gentleman has been supporting for the last God knows how many years, this party has set out all its contacts, all its meetings and everything it did—in stark contrast to the Labour party.

Mr Tobias Ellwood (Bournemouth East) (Con): Judging the mood of the Chamber, this might be an unpopular thing to say, but outside the Westminster bubble I get the impression that the nation has had its fill of this subject and is getting fed up. It wants answers about the police corruption, it wants answers about the hacking and it wants answers about relationships with the press, but there is an inquiry under way and that is where the answers will actually come. It is time that this Westminster bubble frenzy was placed on hold. There are other pressing matters that this nation expects us to focus on.

The Prime Minister: My hon. Friend makes a good point: we have set up the fullest possible inquiry—an inquiry that was never held under the 13 years of the previous Government—and we have to let that inquiry find the answers to all these questions. It looks at the police, at media, at BSkyB and at the conduct of politicians—it is able to ask all those questions and we should allow it to get on with the job.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Yesterday, Prime Minister, News International's defence seemed to have shifted from one rogue reporter to one—possibly more—rogue lawyers, and it still has not fully revealed who knew what and when and who participated in the cover-up. Rupert Murdoch said yesterday to the Select Committee that that situation was unsatisfactory. Prime Minister, what would you urge News International to do now to resolve that situation?

The Prime Minister: It is very simple: tell the truth to the police and to the inquiry.

Nicola Blackwood (Oxford West and Abingdon) (Con): Does the Prime Minister agree that having failed the victims in 2006, when the Met and the Government ignored the Information Commissioners's Office's warnings, and having failed the victims in 2009, when the Met's eight-hour review dismissed evidence in its own possession, we should not fail them now by simply apportioning blame? What we need is real reform of our police, our media and our politics.

The Prime Minister: My hon. Friend is absolutely right. The fact is that we can go back over these reports and over the missed warnings, and the inquiry will be able to do that too, and we should use that information and use this once-in-a-generation chance to try to get media regulation right.

Mr David Winnick (Walsall North) (Lab): The motion we will debate today is about public confidence. Does the Prime Minister really feel that his conduct first as Leader of the Opposition then as Prime Minister should inspire confidence, bearing in mind the phone hacking allegations and the way in which he employed the former editor of the *News of the World*? Does he not realise that to many people the way in which he has acted in the past few years has been pretty sordid?

The Prime Minister: My answer to the hon. Gentleman is yes. Which Government set up a judicial inquiry? This one. Which Government made sure that there is a fully resourced and staffed police investigation? This one. Which Government are being totally transparent about their conduct and contacts with the media and asking others to do the same? That is what this Government have done. For 13 years, his Government had all those opportunities and failed to take them.

Philip Davies (Shipley) (Con): Does the Prime Minister agree that in the past when the House of Commons has been faced with big issues it has had a tendency towards knee-jerk over-reactions? Does he agree that newspapers are a force for good in this country and that what we want at the end of this process is criminality weeded out of the media but for nothing to impinge on a free press, free speech and holding people in authority to account?

The Prime Minister: My hon. Friend is entirely right. We need to ensure that as a House of Commons, as a Government and as an Opposition we show an element of restraint in the debate we have about the regulation of the media. There is always a danger that the pendulum can swing too far the other way and we can start to threaten investigative journalism and a strong and independent media that can call Government to account. When we consider some of the scandals that have been uncovered in recent years, we can see that it has often been the press who have done it and not the regulators. I am sure we will come on to this in our debate later, but it is absolutely vital we maintain that British tradition.

Mr David Lammy (Tottenham) (Lab): Rebekah Brooks yesterday described the Prime Minister as a friend and a neighbour. We heard from Jeremy Clarkson about Christmas walks and conversations over sausages. Given—

[Interruption.]

Mr Speaker: Order. This is the mother of Parliaments, where we have free speech. This question will be heard and that is the end of it.

Mr Lammy: Given the Butler review in the last Parliament, does the Prime Minister believe that such informality on his part was consistent with what is expected?

The Prime Minister: One thing that came out of the evidence yesterday was that whereas Rebekah Brooks was invited six times a year to No. 10 Downing street under both the former Prime Ministers she has not been invited to No. 10 Downing street by me. I have set out all the contacts and meetings I have had, in complete contrast to the Labour party. I can say to the right hon. Gentleman that I have never held a slumber party or seen her in her pyjamas.

Mr Brian Binley (Northampton South) (Con): The confidence of my constituents—*[Interruption.]*

Mr Speaker: Order. I want to hear, and the House wants to hear, Mr Brian Binley.

Mr Binley: I will start again, Mr Speaker. The confidence of my constituents in Northampton in the political process has been progressively undermined and can be traced to the dismal example of politicians in the mid-1990s laying all before the altar of media barons. How can we change that culture, address the abysmal failure of political oversight and leadership and ensure that never again will we allow propriety to be sacrificed while those responsible are asleep on watch?

The Prime Minister: The short answer to my hon. Friend is that I think transparency is probably the best answer. I will come on to that in my speech, when I open the debate, but I think the best way of making sure that relationships are appropriate, and that we do not duck issues of media regulation, is for everyone to see how often we meet.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): The Prime Minister has repeatedly emphasised that he has no evidence of any complaint or questions about the conduct of Andy Coulson while he was heading the Government media service. Will the Prime Minister confirm that a year ago, during the period when Mr Coulson was director of communications, the Cabinet Secretary was alerted to evidence of illegal phone hacking, covert surveillance and hostile media briefing directed against a senior official in the Government service? What action, if any, was taken to investigate what appears to have been disgraceful and illegal conduct close to the heart of Government?

The Prime Minister: I will have to look very closely at what the right hon. Gentleman said, but the point that I made—I have never seen any evidence to go against it—is that in the period that Andy Coulson worked at No. 10 Downing street as head of communications, there was no complaint about the way he did his job. I fully accept that I take responsibility for employing him. I take responsibility for that decision, and I have laid out very clearly today what I think of that now, and all that has been learned. You have to learn these lessons if you are to go on and get things right for the future. What I would say in my defence is that in the time he spent in Downing street, he did not behave in a way that anyone felt was inappropriate, and that is important, because the decision was to employ him. The decision was then his to leave. During that period, people cannot point to misconduct and say, "That, therefore, was a misjudgment."

Karen Bradley (Staffordshire Moorlands) (Con): Many constituents have contacted me regarding this important issue, and they will join me in welcoming the statement today, but many others have been in touch concerning other important issues, such as the crisis in the eurozone and the situation in the horn of Africa. Will the Prime Minister reassure my constituents that the Government are dealing with all issues, and not simply focusing on phone hacking?

The Prime Minister: My hon. Friend is right: people do want us to get on with the other issues, particularly at a time when we need the economy to grow, we need to provide more jobs, and we have got to get to grips with problems with the cost of living. They want to see reforms in welfare and immigration. Yes, they want us to deal with this issue, but they want us to keep a perspective and a balance, and get on with many of the issues that this country needs to deal with.

Pete Wishart (Perth and North Perthshire) (SNP): The Prime Minister is absolutely right to say that we need an all-party response to get to the bottom of the issues. Will he therefore ensure that all the minority parties—all the parties in the House—are consulted about the ongoing inquiries, not just the Labour Opposition? Will he take very seriously the responses from the devolved Administrations about the current inquiry?

The Prime Minister: We did consult the devolved Administrations about the terms of reference and about the inquiry. A number of points were made; it was not possible to include all of them, because sometimes they clashed with points made by other consultees, including the official Opposition. We tried to get the balance right, but I think anyone looking at the terms of reference will see that they cover all the ground and actually set out an extremely comprehensive and effective inquiry.

Robert Halfon (Harlow) (Con): While recognising the disgraceful nature of the phone hacking scandal, will my right hon. Friend resist the siren calls of those motivated by petty politics, revenge, and anti-competition, who want to curtail the advantages of a free press and ensure that there is no alternative to the monopoly of the BBC?

The Prime Minister: We will come on to discuss the issue of media regulation and media plurality, and the power of media owners, in the debate. I think it is important not to leave the BBC out of that entirely, because it is such a huge part of the media industry in the UK. What we want to ensure is that no media group becomes too powerful or has too much influence, because that will help with the issue of the relationship between politics and the media as well.

Emily Thornberry (Islington South and Finsbury) (Lab): I thank the right hon. Gentleman for telling us that he will answer all questions, and I wonder, therefore, whether I could take him back to the article in *The New York Times* in September 2010. He told us today that no information in that article could make him change his mind about Mr Coulson, so could he tell us who brought it to his attention, whether he read it at the time, and who he discussed it with who led him to the conclusion that Coulson was not involved?

The Prime Minister: This article, like many others, was discussed, debated, and written about in the British press as well. Of course, all the way through—let me be clear, because this is an important question—the employment of Andy Coulson, there were questions about his resignation from the *News of the World*, what he knew about the hacking inquiry, and all the rest of it. I set myself a very simple test, which was that if anyone brought me credible information that showed he knew about hacking, I would have fired him. It is as simple as that. If I knew that he had known about hacking, I would not have hired him in the first place. I have tried to be extremely clear about this. As I say, the decision, and the responsibility, is mine for hiring him. His conduct at No. 10 no one has been able to reproach. He does not work at No. 10 Downing street any more, and the only person from News International with a cloud over their head who is stuck in a private office is not in my private office.

Mr Mike Hancock (Portsmouth South) (LD): Putting aside what is appropriate and what is inappropriate, will the Prime Minister just say whether or not, in the conversations that he had, the question of the BSkyB takeover was mentioned?

The Prime Minister: The point I am trying to make is this. I had no responsibility for the BSkyB takeover. I specifically asked to be taken out of any of the decision making and any of the information because I did not want to put myself in any sort of compromising position. I was very clear about that. So much so that I did not even know when many of the key announcements were being made. That is why Rebekah Brooks was quite able to say, at the House of Commons yesterday, that there was not a single conversation that could not have taken place in front of the Select Committee. I know that many people were hoping for some great allegation yesterday that could add to their fevered conspiracy theories. I am just disappointed for them that they did not get one.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): As Police Minister, my experience of briefings from the police was that they did not give one any operational information, but they did tell one things that one needed to know. Senior police officers in the Metropolitan police would understand that perfectly. That is exactly what they were offering the Prime Minister. As a Minister, I would have been livid if officials had been keeping information from me. Did the Prime Minister want to be kept in the dark or is he angry with his chief of staff?

The Prime Minister: I set this out in great detail in the statement. Of course I have very regular meetings with senior leaders in the Metropolitan Police Service and am briefed particularly about terrorist operations for which the Prime Minister and Cobra have a particular responsibility. But the key issue about my chief of staff's e-mail is that since reading it, Paul Stephenson, John Yates, the Cabinet Secretary and the Chair of the Home Affairs Committee have all said that that was the right judgment. Yates specifically says that the offer was quite rightly rejected.

Penny Mordaunt (Portsmouth North) (Con): This House, the media and the whole country have been rightly focused on this issue, but is the Prime Minister aware that aid agencies are reporting that as a result of that focus there has been a lack of public awareness of the humanitarian crisis in Somalia, and as a consequence lower donations to relief funds? Will the Prime Minister assure me and the House that he will spend his time looking at those issues as well as this one?

Mr Speaker: The matter to which the hon. Lady has referred is extremely serious, but whatever her strength of feeling about it, this cannot mutate into a general exchange about other matters, and I know that the Prime Minister will not want it to do so.

The Prime Minister: I thought that it was ingenious to get that point into order, but my hon. Friend makes a very important point, and that was one of the reasons why I did not want to cancel entirely my visit to Africa. It is important that we get on with doing the things that Britain should be doing in the world, whether that is trading with countries such as Nigeria and South Africa, or leading the aid effort, as we are, in the horn of Africa where today we have been told there is not just a catastrophe and a drought, but also a famine. I am proud of the fact that Britain is not being deflected from the great role that it is playing to try to feed hungry people.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): At yesterday's evidence session, Rupert Murdoch was asked about his frequent meetings with the Prime Minister and his Government, to which he replied, "I wish they would leave me alone." Will the Prime Minister and his Government comply with that request?

The Prime Minister: One of the outcomes of all of this is that there will be a lot more of leaving everybody alone.

Nadhim Zahawi (Stratford-on-Avon) (Con): In the Operation Motorman investigation, the Information Commissioner found 861 personal information transactions that were positively identified as coming from 89 Mirror Group newspaper journalists. Can the Prime Minister confirm that the inquiry that he has announced will be able to look into the unlawful practices going on at Mirror Group newspapers?

The Prime Minister: My hon. Friend makes an important point: while we should not believe automatically that those practices were spread right across the media, it would be naive to think that they were restricted to one newspaper or one newspaper group. Indeed, when we look at evidence such as Motorman and the Information Commissioner's report, it is clear that they went wider, and this inquiry and the police investigation must go

where the evidence leads. All of us have to ask questions about people we employ if they were involved in those newspapers.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I heard what the Prime Minister said about consulting the devolved Administrations. For the avoidance of doubt, can he say whether the inquiry extends to Scotland and includes issues that are devolved in Scotland, such as policing? Has he secured the agreement of Scotland's First Minister for that, and in that context, has he secured an assurance from an uncharacteristically quiet First Minister about his contacts with News International?

The Prime Minister: I can confirm that this inquiry extends to Scotland. As I said, we sent the draft terms of reference to the devolved Administrations, and we were able to accept a number of points. There was, I think, one specific point that the Scottish Administration wanted dealt with, concerning the Information Commissioner's report, which we have not put specifically into the terms but of course it will be dealt with by the inquiry because it is such an important part of the work. More generally, when it comes to the relationship between politicians and media, the inquiry will be able to go where the evidence leads.

Mr Lee Scott (Ilford North) (Con): Does my right hon. Friend agree that while there are allegations against some officers in the Metropolitan police, the vast majority of police officers are protecting us every day, doing a wonderful job, and they should not be smeared by this?

The Prime Minister: That is an incredibly important point. Police officers put their lives on the line for us every single day and while of course we have to get to the bottom of what went wrong in the Met, we should not allow that to undermine public confidence in the bobby on the beat and the fantastic job they do for us.

Richard Burden (Birmingham, Northfield) (Lab): In response to my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), the Prime Minister said that, if he had been given credible information regarding Andy Coulson, he would have done something about it, so will he now answer the question from my hon. Friend the Member for West Bromwich East (Mr Watson)? When the Prime Minister received that letter in October, what did he do?

The Prime Minister: The answer is that with all the information that came out while Andy Coulson was working at No. 10 Downing street, there was a permanent conversation, if you like. Was this new evidence that he knew about phone hacking? If it was, he would have to go; if it was not, he would not. That is the key point. Let me answer this way. In the end, because there were so many allegations and because he was not able to get on with his job, he left. The second chance I gave him did not work. We can go over this a million times, but in the end the decision to appoint him is mine, for which I have taken full responsibility. His conduct at No. 10 Downing street is not something that is under question, so I think it would be better if we spent our time working out how we are going to clear up the illegality that took place.

Anna Soubry (Broxtowe) (Con): There must be widespread agreement across the House that it is imperative that the police and the media start now to clear up their own mess. To that end, does the Prime Minister agree that it is time that police officers stopped divulging the details of arrested people before they are charged, and the press stopped printing those details, invariably engaging in a feeding frenzy that destroys somebody's reputation although they have not even been arrested?

The Prime Minister: I know my hon. Friend has experience of this from before she came into politics in her work as a lawyer and in broadcasting. One of the things that my right hon. Friend the Home Secretary announced is that Elizabeth Filkin will work for the Metropolitan police to try to work out a better code of ethics, including in relation to the media and the steps they take. This has opened up a whole conversation that we may have put off for far too long in this country.

Mr Chuka Umunna (Streatham) (Lab): May I return to the responses the Prime Minister gave to my hon. Friend the Member for Bolsover (Mr Skinner) and to the hon. Member for Portsmouth South (Mr Hancock)? The Prime Minister said that he had had no inappropriate discussions with News International executives regarding the BSkyB bid. Which discussions did he have with the said executives that he deemed were appropriate, who were the executives and what were the contents of the discussions?

The Prime Minister: All those meetings are now published. The hon. Gentleman can look on the internet and see every single meeting that I had. Perhaps when he does that, he might ask his good friend the Leader of the Opposition why he does not do the same thing.

Greg Mulholland (Leeds North West) (LD): The Prime Minister was right to recall Parliament and is right to concentrate on the immediate questions that are being asked, but will he ensure that the Government commit to making sure that this does not happen again? That involves looking at the Companies Act 2006, because it seems absurd that we rightly have a crime of corporate manslaughter, yet directors of a company in which there has been complicit criminality currently face no sanctions.

The Prime Minister: I think we can come on to that in the debate, but there are some lessons to be learned for competition policy and media policy. I am sure that we will debate those later, and I will have some contributions to make on that.

Emma Reynolds (Wolverhampton North East) (Lab): In her evidence yesterday, Rebekah Brooks stated that it was the Chancellor of the Exchequer's idea to employ Andy Coulson. Was she right or was she merely trying to protect her friend, the Prime Minister?

The Prime Minister: The decision was mine. In politics, in the end, the buck stops here, with the Prime Minister. I made the decision, I defend the decision and I have given a full explanation of it today.

Mr Edward Leigh (Gainsborough) (Con): Is there not a real danger that this scandal will follow the pattern of

[Mr Edward Leigh]

so many others: first, bad behaviour; then moral outrage, a lot of it hypocritical; then lengthy judicial inquiries; and then more state regulation under the guise of independent regulation? Will my right hon. Friend therefore commit himself today to the good old Conservative values of individual liberty and freedom?

The Prime Minister: I am delighted to do that. My hon. Friend makes a good point. That is why I was concerned to ensure that there are people on the panel who really understand how television, newspapers and regulation work. For instance, I think that the fact that George Jones, who spent many years in the Lobby, will be on that panel of experts will help the committee of inquiry do its work.

Helen Goodman (Bishop Auckland) (Lab): Last week, I asked the Prime Minister whether Andy Coulson had been through the official positive vetting procedure. Instead of answering, he referred me to the rules of conduct for special advisers and the standard contract. Will he now answer the question?

The Prime Minister: He was vetted. He had a basic level of vetting. He was not able to see the most secret documents in the Government. I can write to the hon. Lady if she wants the full details of that vetting. It was all done in the proper way. He was subject to the special advisers' code of conduct. As someone shouted from behind me, he obeyed that code, unlike Damian McBride.

Mr Robert Buckland (South Swindon) (Con): There has been much talk of freedom, but freedom has to be under the law. Will my right hon. Friend assure me that any future regulation of the press will balance the interests of ordinary men and women against the legitimate interest in maintaining a free press in this country?

The Prime Minister: Of course I give that assurance. One of the things with which the committee of inquiry will have to battle is that, if you consider some of the great investigative stories that have bust open scandals in the past, sometimes there has been a public interest defence. My hon. Friend is a lawyer and he will know about that. That is one of the reasons why we are asking the committee of inquiry to try to do that very difficult work.

Jeremy Corbyn (Islington North) (Lab): May I give the Prime Minister another opportunity to say on what occasions, with whom and where, in the time since he became Prime Minister, he has ever discussed the Murdoch bid to take over BSkyB completely?

The Prime Minister: The discussion I had was to ensure that I was not involved in that decision, so I did not discuss it with the Culture Secretary, I did not know about the timing of many of the key announcements—I was not involved. That was the sensible thing to do—conduct in which my predecessors did not necessarily engage.

Sajid Javid (Bromsgrove) (Con): The former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) said that he wanted to hold an inquiry into phone hacking and journalistic practices, but he astonishingly claimed that civil servants stopped him doing so—presumably the same civil servants who told him not to sell our gold at record low prices. Did the Prime Minister inherit any plans from the previous Government on the inquiry?

The Prime Minister: All I can say is that the former Prime Minister's idea to have the inquiry was never raised with the official Opposition. One of the things that I read in the press in the last couple of days was one of his former colleagues saying that he thought that it was a proposal that Gordon made to himself. *[Interruption.]*

Mr Speaker: Order. The exchanges will not continue until we have order. It is pretty straightforward.

Jack Dromey (Birmingham, Erdington) (Lab): To hire the hackers of Milly Dowler meant either that Andy Coulson was guilty of being complicit in a corrupt culture, or that he presided over acts of pure evil. What were the warnings given to the Prime Minister by the Deputy Prime Minister and Lord Ashdown not to appoint Andy Coulson, and why did he ignore those warnings?

The Prime Minister: We do still have in this country the idea that you are innocent until you are proven guilty. Now, as I have said, I hired Andy Coulson on the basis of assurances that he gave me that he did not know about hacking. After all, that is why he resigned as editor of the *News of the World*. And incidentally, after he resigned, who was the very first person to ring him up and wish him well? Any guesses? Gordon Brown.

Nicky Morgan (Loughborough) (Con): In her evidence to the Select Committee yesterday, Rebekah Brooks spoke about the number of times that she had visited No. 10 or Chequers—up to six times a year. Does the Prime Minister not agree that calls by the Opposition for transparency and disclosure of information to the inquiry sit very badly with the collective amnesia being shown about the contacts between Labour and News International?

The Prime Minister: The point I would make is that we have all got to be open about the fact that those on both Front Benches spent a lot of time courting Rupert Murdoch, courting News International, courting the Russian who owns *The Independent*—and the *Daily Mail*, and the BBC while we are at it. *[Interruption.]* Everybody has done it. And we have got to admit that this sort of relationship needs to be changed and put on a more healthy basis. Now we are prepared to admit it, but basically, if you like, the clock has stopped on my watch, and I am determined to sort it out. *[Interruption.]* From a sedentary position, the shadow Chancellor says, "We didn't hire Andy Coulson." Look, you hired Damian McBride. You had Alastair Campbell. You had Alastair Campbell falsifying documents in government. You have still got Tom Baldwin working in your office. *[Interruption.]* Yes. Gotcha!

Mr Speaker: Order. May I remind the House that I have not been hiring people at all. I call Mr John Cryer.

John Cryer (Leyton and Wanstead) (Lab) *rose—*

Mr Speaker: Order. The House will listen to Mr John Cryer.

John Cryer: On 8 July the Prime Minister said that he had commissioned a company to do a basic background check on Coulson. For the fourth time, I am asking for the name of the company. It is a pretty simple question; just come to the Dispatch Box and name the company.

The Prime Minister: We did hire a company to do a basic background check, and that is an entirely appropriate thing to do, and it was an entirely appropriate report. But I have to say, the reason I hired him was above all the assurances that he gave me. That is the key part of the decision and that is what I am prepared to say.

Mr Gary Streeter (South West Devon) (Con): I thank my right hon. Friend for his swift and decisive action in setting up these inquiries, which will get to the bottom of these very serious issues. But looking forward, may I add my voice to those encouraging him not to be too distracted by this issue over the next few months, but to focus instead on the things that my constituents are concerned about: the economy, their jobs, the reform of the health service, and the contagion in Europe?

The Prime Minister: My hon. Friend is entirely right. We have to sort this issue out. It takes cross-party agreement to do it. We have worked well over the judicial inquiry, the panel, the terms of reference and the police inquiry—all things that this Government have taken action on, but we do want to get on to the other issues about which our constituents care so much.

Caroline Lucas (Brighton, Pavilion) (Green): Will the Prime Minister immediately put on hold his plans to introduce elected police commissioners while we learn the lessons of the last few weeks? We should reflect on the risks of things being swept under the carpet if we put someone whose political fortunes depend on the success of the force in sole charge of trying to hold them to account.

The Prime Minister: I am afraid I do not agree with the hon. Lady. I think one of the things this whole episode shows is that our police service needs reform, and the idea of greater accountability, with them having to account to someone who can stand up for local people, is a thoroughly good idea.

Dr Julian Huppert (Cambridge) (LD): The Home Affairs Committee was given evidence about serious failings in corporate governance at the Met. Almost all our current and former police witnesses passed responsibility up or down the chain. There was lack of clarity about who made decisions. We were told that it happens all the time that someone can get a job based on an e-mailed CV sent from an assistant commissioner straight to the director of human resources. Will the Prime Minister ensure that as well as looking at criminal matters, we look at this massive failure of corporate governance in the Metropolitan police?

The Prime Minister: I am sure that the inquiry will look at that, but indeed, I think my hon. Friend will find that the Independent Police Complaints Commission will be looking at that specific issue concerning John Yates even before the inquiry gets under way.

Mr David Hanson (Delyn) (Lab): Can the Prime Minister confirm what the Metropolitan police has told the Home Secretary—that News International only began co-operating more fully with the inquiry in January 2011, shortly after Mr Coulson resigned from Downing street? Is he not just guilty of bad judgment in employing him, but in keeping him in post for so long?

The Prime Minister: The point is that the Metropolitan police made that very clear to the Home Affairs Committee, but what I would say is what I have said all along: the police should pursue this without fear or favour. They should go where the evidence leads. They should arrest whoever they choose. They could not have a clearer message, or more support from the Government.

Claire Perry (Devizes) (Con): Today is the anniversary of the moon landing—*[Interruption.]*

Mr Speaker: Order. The hon. Lady must be heard. I do not why people are saying "Ooh" when I call the hon. Member for Devizes. It is an extraordinary choice of response. I want to hear the hon. Lady.

Claire Perry: I agree, Mr Speaker. Today, people will know, is the anniversary of the moon landing, around which conspiracy theorists like to cluster. May I urge the Prime Minister, rather than listening to the vapid conspiracy hackgate theorists, to focus on the facts? What is he doing to toughen up the rules around the use of Chequers, to ensure that it is never used for slumber parties for media tycoons again?

The Prime Minister: I could see the development of a beautiful relationship there, just for a brief moment. I think, on slumber parties, if it is perfectly all right, I do not rule out my children having slumber parties, if that is acceptable to my hon. Friend, but I promise to leave Rebekah Wade out of it.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I press the Prime Minister on the question asked by my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford)? In the last year, has he been briefed by the intelligence services about the phone hacking and surveillance of a senior public servant? Has he had that briefing, and will the intelligence services be requested to give evidence to the inquiry?

The Prime Minister: We do not discuss intelligence issues in the House. If the hon. Gentleman wants to come and talk to me about this issue, he can absolutely beat a path to my door and I will see him.

Rehman Chishti (Gillingham and Rainham) (Con): Can the Prime Minister clarify and confirm that the law on media ownership was watered down under the Communications Act 2003, which for the first time allowed non-European economic area companies to own UK radio and television?

The Prime Minister: My hon. Friend makes a very important point, when a lot of the sound and fury comes from the Labour party. There was a progressive liberalisation of media ownership delivered under the previous Government, and they would do well to remember that.

Kerry McCarthy (Bristol East) (Lab): A number of times now, the Prime Minister has brushed off questions about the letter that my hon. Friend the Member for West Bromwich East (Mr Watson) sent him. Can he confirm whether he saw that letter, and if so, say what he did about it? If he did not see it, can he go back to Downing street and find out what happened to it?

The Prime Minister: Of course, I am shown all letters that are sent to me by Members of Parliament, and I will do exactly as the hon. Lady says: I will go back and make sure that a robust reply is sent.

Mr Aidan Burley (Cannock Chase) (Con): Did the Prime Minister receive any advice from the editor of *The Guardian*, from Lord Ashdown or from the Deputy Prime Minister about the hiring of Tom Baldwin by the Leader of the Opposition?

The Prime Minister: No, but I have received quite a number of representations from hon. Members, and quite a few from others as well.

Barry Gardiner (Brent North) (Lab): I welcome the Prime Minister's transparency in making available the 26 meetings with News Corps and News International. I welcome the fact that he was able to say that no inappropriate conversations took place between him and BSkyB. Can he tell us that no appropriate conversations about the bid took place at those meetings also?

The Prime Minister: All my conversations are appropriate.

Greg Hands (Chelsea and Fulham) (Con): Is the Prime Minister aware that under the Inquiries Act 2005, and contrary to the evidence given by his predecessor, it is actually under the terms of the Act the job of a Minister to cause an inquiry, not the Cabinet Secretary?

The Prime Minister: I believe that my hon. Friend is right, and this does go to the point about the speech made last week by the former Prime Minister. In the end, Ministers have the responsibility to make these decisions, and I do not think it is particularly noble to try and hide behind and blame your civil servants.

Grahame M. Morris (Easington) (Lab): In his statement, the Prime Minister told us that Neil Wallis, formerly deputy editor at the *News of the World*, was not employed or paid by the Conservative party, but it has transpired that he advised Andy Coulson, at least in the run-up to the general election. Has the Prime Minister made any inquiries about the exact nature of that advice?

The Prime Minister: Yes, I have. As the hon. Gentleman says, I was told about that, on Sunday. Neil Wallis was not employed or contracted or paid, but he did offer some informal advice. The reason why that information has come out is that we put it out, and we will be equally transparent when we get to the bottom of this matter.

Margot James (Stourbridge) (Con): My constituents feel that relationships between News International and politicians have been too close for many years, but they are shocked by the association with the police. Will the Prime Minister assure the House that the remit of the independent review—I congratulate him on setting that up—will include guidance on preserving the freedom of the press to undertake the investigative journalism that has long been a good tradition in this country?

The Prime Minister: I can reassure my hon. Friend about that. The terms of reference include the importance of a free press. I think that the panel, which includes people such as Shami Chakrabarti, George Jones, Elinor Goodman, a former press regulator and someone who has chaired the *Financial Times*, is a good mixture of experts to help advise Lord Justice Leveson to ensure that we get the balance right between appropriate legislation and—yes—a free and vibrant press.

Ann Clwyd (Cynon Valley) (Lab): Two years ago in this House, I made this point:

> "Given Mr. Coulson's dubious reputation, none of us on this side of the House can feel comfortable while he is around to wander the corridors here. While he is under suspicion, can we not at least take his pass away from him?"—[*Official Report*, 9 July 2009; Vol. 495, c. 1137.]

His pass was not taken away from him, and he was able to wander freely around this place. Since the Prime Minister obviously cannot smell a rat when he has one in his midst, will he tell us whether he has any other dodgy characters in No. 10 that we should beware of?

The Prime Minister: I do not think it is worthy of the right hon. Lady to use terms like that. As I have said, I choose to judge people by the conduct of the work that they do for me. I would put Andy Coulson's conduct at No. 10 Downing street against the conduct of Damian McBride, Alastair Campbell, Tom Baldwin and all the rest of them, who did so much damage under the previous Government.

Several hon. Members *rose*—

Mr Speaker: Order. I would like to accommodate many more colleagues on this important subject, but in order for me to do so, I require brevity. I call Mr William Cash—*[Laughter.]*

Mr William Cash (Stone) (Con): Thank you, Mr Speaker. The Prime Minister has referred several times to the future of the regulation of the media, not just the press. About the terms of reference that we have been told about, he says that "the inquiry should look not just at the press, but at other media organisations, including broadcasters and social media if there is any evidence that they have been involved in criminal activities." Does that preclude what the 17 Select Committee Chairmen and others have called for, which is an extension of the terms of reference to deal with regulation of all the media, not merely the press alone?

The Prime Minister: The change in the terms of reference was a direct response to the 17 Select Committee Chairmen, because we wanted to listen to their views and to say that broadcasters and social media could be included if there was evidence of wrongdoing. We are not trying to have an inquiry that becomes so wide that it cannot make progress on these vital issues—but we have listened to what my hon. Friend has said, and responded very positively.

Mr Denis MacShane (Rotherham) (Lab): In the interests of transparency, will the Prime Minister now publish any e-mails between Andy Coulson and the Home Office?

The Prime Minister: I am looking at being as transparent as I possibly can be. We have not just the Freedom of Information Act, under which people can make requests; this Government are pushing out a huge amount of data, including publication of the recent e-mails of Ed Llewellyn.

Mr Peter Bone (Wellingborough) (Con): The Prime Minister has rightly published the names of people who have stayed overnight at Chequers, which includes Rupert Murdoch and Rebekah Brooks, but also other journalists. Given what the Prime Minister said about the Government getting too close to the media, Mrs Bone was wondering this morning whether those visits would stop, which would open up a number of weekends when I understand she is free.

The Prime Minister: As long as Mrs Bone does not insist on a slumber party, that is a very good idea.

Chris Leslie (Nottingham East) (Lab/Co-op): What did the Deputy Prime Minister tell the Prime Minister about Andy Coulson's employment, and when?

The Prime Minister: The point that was made by a number of people, the Deputy Prime Minister included, was just to ask whether it was right to give a job to Andy Coulson, because clearly, I had made a decision. That man had resigned from the *News of the World* over the hacking scandal because it happened on his watch. He gave me an assurance—*[Interruption.]* Hold on; I will answer the question. He gave me an assurance that he did not know about the hacking scandal, and I took my decision. That is a judgment that I do not hide or run away from. I am totally accountable for it.

Some people—of whom the Deputy Prime Minister was one—questioned that judgment, which is why I have been so clear that that was my decision. I am responsible for it and people will hold me accountable for it. Today, I have been utterly frank about what it would be like with 20:20 hindsight or what it would be like with double vision, but I do not believe in politicians running away from the decisions that they have made. I do not do that.

Tessa Munt (Wells) (LD): The Prime Minister will have had very little time to consider my question of last week about stopping the scandal of taxpayers having to fund pensions for police who turn out to have undertaken criminal activities. However, he has widened the scope of the inquiry to cover all forces. Given the financial pressures—a number of forces are having to ask people whether they would like to become voluntarily redundant—will he please ensure that no one found guilty of wrongdoing can keep any payout, bonus or windfall by retiring or taking voluntary redundancy?

The Prime Minister: What the hon. Lady says makes a lot of sense. She should make those representations to the Winsor review, and indeed to the judicial inquiry.

Fiona Mactaggart (Slough) (Lab): In reply to an earlier question, the Prime Minister said that the relationship between politicians and the media meant that the important issue of media regulation was put on the back burner. Why, therefore, does he think that putting a politically elected commissioner in charge of every police force, rather than just the Met, means that similarly difficult questions will be avoided in future?

The Prime Minister: I am afraid that I do not see the read-across at all, because the elected police commissioner will want to respond to the demands of the public for effective, accountable and beat-based policing. There will be a bit of tension, as it were, between the elected commissioner and the chief constable, which, as long as there is proper operational independence, could be a good thing.

Mr Graham Stuart (Beverley and Holderness) (Con): Will the Prime Minister ensure that the inquiry that he has announced into the unlawful practices in the media cover the allegation made by Lord Ashcroft that Tom Baldwin, then a News International journalist, authorised, or was part of, efforts to access the Conservative party's bank accounts unlawfully?

The Prime Minister: I am sure that the inquiry can look at that. If there is evidence of illegal activity, some very big questions have to be answered. I hope that the Leader of the Opposition will be asking those questions and making sure that he gets good answers.

Kevin Brennan (Cardiff West) (Lab): Were there any meetings between Neil Wallis and Andy Coulson when Andy Coulson was working for the Prime Minister at No. 10 Downing street?

The Prime Minister: I do not have that information; I will have to get back to the hon. Gentleman. *[Interruption.]* Far worse would be to give an answer that could turn out to be inaccurate, so I will get back to him with that information.

Andrew Selous (South West Bedfordshire) (Con): Government Members are right to say that all our constituents want us to move on from excessive focus on this issue. However, how does the Prime Minister see us being able to end the practice of journalists regularly paying police officers for a quick scoop?

The Prime Minister: I think we need to do a number of things. Obviously, there is a police investigation into corruption, which will now be overseen by someone who comes from outside the Met, and there is also Dame Elizabeth Filkin's work to try to improve ethics and standards. In addition, the inquiry will be able to do a job of work on this. On the panel is a former chief constable, so there will be understanding of how the police service works, so that we can get to the bottom of that problem and deal with it.

Hugh Bayley (York Central) (Lab): Public confidence in the police has obviously been affected by the allegations of the bribery and corruption of police officers. Will the Prime Minister look at whether there is a need for us to establish, as in the United States, an independent police force that can police the police? Will he give the House a guarantee that the Bribery Act 2010 will not be amended while all these investigations and inquiries are going on?

The Prime Minister: On the first point, we have the Independent Police Complaints Commission, which is independent of the police. There are two questions, both of which my right hon. Friend the Home Secretary has addressed. First, we must ensure that it has the resources and ability to investigate the police, and secondly, we must look at whether we call in an outside police force swiftly enough when there is evidence, or allegations, of wrongdoing so that people can see that the process is being carried out effectively.

Brandon Lewis (Great Yarmouth) (Con): Last week we heard an impassioned speech by Gordon Brown in which he outlined his concerns about hacking and his desire for an inquiry. However, in yesterday's Select Committee evidence we heard that he had never raised that subject, despite a close relationship with Rupert Murdoch. Will the Prime Minister help me to reconcile those two issues?

The Prime Minister: I am afraid that I cannot, but I think that the evidence speaks for itself.

Mr Speaker: Order. May I remind the House that when Members refer to other Members they should do so by referring to their constituencies, rather than by name?

Clive Efford (Eltham) (Lab): When the Prime Minister was Leader of the Opposition, was phone hacking discussed in any of his meetings with John Yates or any other Metropolitan police officer?

The Prime Minister: I have had a range of meetings with John Yates over the past year, mostly about terrorism—*[Interruption.]* I do not recall every single conversation that I have had; you would be mad to pretend that you do. You would need to be superhuman to remember every conversation that you have. I do know that almost all the conversations that I have had with John Yates over the past year have been about terrorist issues. The key point about my chief of staff's e-mail was that he was trying to ensure that the police did not do anything inappropriate.

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend's statement and the process that he has set in motion to investigate the whole affair. Does he agree that it is essential that issues relating to the Metropolitan police are dealt with speedily so that the hard-working police across London can get on with doing, to maximum effect, the job that they do fantastically for all of us in our capital?

The Prime Minister: That is hugely important. Thousands of police officers are doing a great job in London. They will be reading all about this, and I do not want it to sap their morale or the work that they do. A clear message should go out from the House that we still have a very fine police service in this country, and we back it.

Mrs Mary Glindon (North Tyneside) (Lab): Will the Prime Minister confirm whether any of his officials who are now in Downing street knew that Neil Wallis advised Andy Coulson before the general election?

The Prime Minister: All I can say to the hon. Lady is that the first I was told of this, to my knowledge, was on Sunday evening. As I said, Neil Wallis was not employed, contracted or paid by the Conservative party, but he did some work for Andy Coulson. As we get to the bottom of exactly what that work was, who knew what and when, and all the rest of it, we will put that information on record. When you are being asked all these questions—there is no conspiracy theory, as I think we have proved today—it is important to give accurate answers.

Tom Brake (Carshalton and Wallington) (LD): Yesterday's Select Committee hearings were heavy on entertainment but rather light when it came to hard facts. Does not their inconclusiveness point to the need for the urgent inquiries that have been established? Those inquiries should be hard hitting, well resourced and wide ranging, and they should examine all aspects of the phone hacking scandal: corruption, nepotism, and the rather seedy and obsequious relationship between the press, the police and politicians.

The Prime Minister: As my right hon. Friend says, the reason for setting up the inquiry is to get to the bottom of the situation. To be fair to the Select Committees, they made some good progress yesterday on discovering important evidence about all the relationships, and we have been discussing some of that evidence today.

Owen Smith (Pontypridd) (Lab): Will the right hon. Gentleman confirm that it is highly unusual for such a senior adviser to the Prime Minister not to be properly vetted? Will he confirm that it was his decision not to vet Mr Coulson fully, including by asking family and friends about his past life and activities?

The Prime Minister: No, it was not unusual at all. Andy Coulson was cleared in the normal way for special advisers. He was cleared to secret, and he was not sent papers above that level. Like former Administrations, we set out all the names of the staff we employ as special advisers. Once again, I feel that a number of hon. Members are looking for some sort of secret behind a curtain that simply is not there.

Richard Ottaway (Croydon South) (Con): When it comes to restoring public confidence in the media and the police, does the Prime Minister agree that the steps that he has outlined today show that he has made more progress on this in 13 months than the previous Government did in 13 years?

The Prime Minister: My hon. Friend makes the important point that Labour Members had plenty of opportunities over 13 years. The shadow Chancellor and the Leader of the Opposition were there all the way through. They could have promoted a judicial inquiry. They could have responded to the Select Committee and done something about the Information Commissioner reports. They were the slumber party.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Will the Prime Minister give the House a categorical assurance that Andy Coulson, during his time working in Downing street, never saw any briefings on the police investigation into hacking, nor had any involvement in the Government's response to it?

The Prime Minister: I have made the point that it is not routine for people in Downing street to be given operational information about a police investigation. That was the whole thing that my chief of staff was rightly trying to prevent. Let me take the hon. Lady back to the time when Tony Blair was Prime Minister and there was an investigation into cash for honours. Just imagine if the police had pitched up and started briefing officials with operational intelligence. It would have been an appalling thing, and I cannot understand why she asks that question.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): May I congratulate my right hon. Friend on the leadership that he has shown in establishing such a wide-ranging and robust inquiry? Given that the Motorman investigation revealed details of 305 journalists and 30 newspapers and magazines, why does he think that a similar inquiry was not established following that?

The Prime Minister: We have to be frank. The previous Government were not on this at all and, frankly, the previous Opposition—us—should have done more. However, the previous Government have to take some responsibility for repeatedly ignoring repeated warnings. I could not have been more frank today about the responsibility I take. Every time I mention this I talk about the failings of the previous Opposition in doing their job, but just once in a while it would be nice to hear a little bat squeak of responsibility from the Labour party.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister has said that Neil Wallis was never employed by the Conservative party. Will he confirm that neither Mr Wallis nor any of these companies received any payment from individuals or organisations working on behalf of the Conservative party?

The Prime Minister: What I have said very clearly is that the Conservative party did not employ him, have a contract with him or pay him. As I understand it, he did some informal work for Andy Coulson, but the reason why we know that is that we announced it before the House of Commons went into recess—we wanted to get the information out. When we get to the bottom of the work that he did—this is unlike the complete lack of transparency that we sometimes get from the Labour party—we will make the detail available.

Dan Byles (North Warwickshire) (Con): Did the Prime Minister hear the recent remarks made by Lord Kinnock suggesting that as a result of the inquiry, politicians should impose what he called "balance" on the media? Does the Prime Minister share my view that that would be dangerous?

The Prime Minister: I do. We want a free and vigorous press. Sometimes that is infuriating, but the idea of having "Ofpress" and equal coverage being given to every point of view would kill the vibrancy of the press. If we had to have equal coverage of every Neil Kinnock speech—respecting him as I do—the papers would take a lot longer to read every morning.

Chris Williamson (Derby North) (Lab): When Andy Coulson stayed at Chequers after his resignation, did the Prime Minister take the opportunity to talk to him about the phone hacking allegations and whether there was any truth in them, and about his reasons for resigning?

The Prime Minister: His reasons for resigning were well set out at the time. He felt that he was not able to go on doing his job with all the allegations and the swirl of information around, so he thought that he needed to move on, which was the right decision. I have been absolutely clear about my reasons for hiring him, and the work that he did at No. 10. I revealed that he stayed at Chequers, although you do not have to reveal private guests for whom you have paid yourself. The previous Government did not do that, but I have done so because I want to be utterly transparent about my relationships, decisions and judgments. I am very happy to stand on those judgments and let people be the judge; that is the only thing you can do in this job.

Sarah Newton (Truro and Falmouth) (Con): Does my right hon. Friend share my frustration? We have been here for the best part of two hours, but have we heard any recognition from Labour Members of the part that they played in this situation? Should we not be working across the House to restore confidence in our politics, the press and the police, as our constituents urgently demand of us?

The Prime Minister: My hon. Friend is right. The Opposition came here with a choice. They could have risen to the scale of events, helped to deal with the problem and responded to what our constituents care about, but instead we have heard a litany of rather pathetic conspiracy theories to try to win a political game, and that has been a complete and utter failure.

Steve McCabe (Birmingham, Selly Oak) (Lab): Have Sir Paul Stephenson and John Yates had to pay too high a price for Andy Coulson's second chance?

The Prime Minister: If you look at the evidence of Sir Paul Stephenson, whom I respect enormously and who did some very good things at the Met—and John Yates—he said very clearly yesterday that the circumstances surrounding his resignation were completely different from the circumstances in No. 10 Downing street. The responsibility that I had for hiring Andy Coulson, the work that he did at No. 10, the fact that he is not there any more—we have discussed this a lot today—are, I would argue, completely different from the issues at the Met about a failed police investigation, allegations of police corruption, very serious problems in that organisation and all the reasons that Paul Stephenson set out yesterday. I respect what he did, but he himself said that the situations are different.

Jacob Rees-Mogg (North East Somerset) (Con): The Prime Minister has shown in his statement that his private office has behaved with absolutely compelling propriety, which compares amazingly favourably with sofa government. I wonder whether he would agree that the row over this is broadly synthetic and hugely over-egged.

The Prime Minister: My hon. Friend makes a good point. What I would say about Ed Llewellyn is that he is—and Opposition Members know this—someone who has served our country, working for Chris Patten and Paddy Ashdown in Kosovo, Bosnia and Hong Kong. Yes, of course, he is a Conservative supporter and a friend of mine, but he is a very loyal public servant who has done great things for this country and who I think is utterly beyond reproach. On this occasion, as on so many others, his judgment was proved absolutely right.

Nick Smith (Blaenau Gwent) (Lab): Prime Minister, can you tell us what specific advice the Deputy Prime Minister gave you against employing Andy Coulson?

The Prime Minister: I am very happy to answer—although I have answered this question already; I can set the answer to music if you like. Some people looked at Andy Coulson and the fact that he had been a tabloid editor at the *News of the World* and had resigned because of what happened there, and advised me not to take him on. I made the decision on the basis of the assurances that he gave me; I could not have been more frank about it. There is only one tabloid editor left in the office of the Prime Minister or of the Leader of the Opposition. There is a tabloid *Mirror* editor sitting in the office of the Leader of the Opposition, and I would not be at all surprised if the *Mirror* did not have some questions to answer pretty soon.

Simon Kirby (Brighton, Kemptown) (Con): Does the Prime Minister think that the Leader of the Opposition should apologise for Damian McBride?

The Prime Minister: I have finally received an apology—and the Chancellor has too—although it took a while, for the appalling things that were done. This was a special adviser who was sitting around casting appalling aspersions on people who were then on the Opposition Front Bench. When you compare that conduct with the conduct at No. 10 Downing street of Andy Coulson—about whom, in his time at work, no one is making a complaint—it speaks volumes.

Ian Lucas (Wrexham) (Lab): Did the Prime Minister, when he was Leader of the Opposition, discuss with John Yates the issue of phone hacking?

The Prime Minister: As I have said, I cannot remember every conversation that I have ever had with John Yates. I did meet him in opposition, but I cannot remember how many times I met him. I have met him many more times in government, and predominantly what I have discussed with him is the issue of terrorism.

George Freeman (Mid Norfolk) (Con): Does the Prime Minister agree that one of the most lamentable episodes in this sad affair was the death of David Kelly, a proud civil servant whose name was thrown to the media pack, putting him under intolerable pressure, which led to his suicide? Will my right hon. Friend give me an undertaking that the investigation will be given a remit to cover and look back at how that event unfolded?

The Prime Minister: The point that I would make to my hon. Friend is that we have to be careful that this inquiry does not go completely viral, as it were. It has to focus on the issues at hand. Obviously, the issue of David Kelly was looked at in detail in the Hutton inquiry, and I think that this inquiry has to make some progress.

Natascha Engel (North East Derbyshire) (Lab): Last week I read in the *Daily Mail* that the Prime Minister had been about to appoint the ex-BBC journalist Guto Harri, but that after an intervention by Rebekah Brooks, he changed his mind and employed Andy Coulson. Is that right?

The Prime Minister: She specifically rejected that point yesterday. Guto now works for my good friend and colleague the Mayor of London, and he does a brilliant job.

Jason McCartney (Colne Valley) (Con): I have a question about the conduct of Andy Coulson while he was at No. 10. Did Andy Coulson ever suggest smearing Opposition Members while he was there, like Damian McBride, who was embraced by the former occupants of No. 10?

The Prime Minister: My hon. Friend makes a very powerful point, and one that will be noted.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Does the Prime Minister agree that we need to move on—not least because we want to watch without distraction the collapse of the euro? Does he therefore agree that if we are to do so, and achieve closure, he has to be a bit more frank and answer directly questions such as those asked by my hon. Friends the Members for West Bromwich East (Mr Watson) and for Leyton and Wanstead (John Cryer)?

The Prime Minister: Although I share the hon. Gentleman's lack of enthusiasm for the euro, we have to recognise in this country that that is where 40% of our exports go, and if there is turmoil in the eurozone it will not be good for Britain. We should be very clear about that, and we should be helpful and co-operative with our European partners to try to help them sort out their problems.

As for answering questions, I do not think that I could have given clearer answers to all the questions that Members have asked in the House. I know that a lot of hon. Members came here this afternoon trying to find some conspiracy theory—but they have looked and they have not found one.

Duncan Hames (Chippenham) (LD): Yesterday my hon. Friend the Member for Torbay (Mr Sanders) tested witnesses on the term, "wilful blindness". Does the Prime Minister agree with us that those in charge of a responsible and free press should not get away with using a wilful blindness defence to evade responsibility for their acts?

The Prime Minister: There is no real defence of that sort. There is going to be a police investigation—it is under way—that will ask exactly who was culpable and who knew what, when. After that is over, the second stage of the judicial inquiry will go over all that information again, not requiring the bar of criminal prosecution, and perhaps then we will get the real evidence of who knew what, when. However, we could not have tougher processes to get to the answers that people want.

Bill Esterson (Sefton Central) (Lab): Will the Prime Minister define for us what he regards as an appropriate conversation between him and News International about BSkyB?

The Prime Minister: I thought Rebekah Brooks defined it excellently—one that you could also repeat in front of a Select Committee.

Mr Sam Gyimah (East Surrey) (Con): I might be about to block my copy book with you, Mr Speaker—but in response to your comment that you were not hiring anyone, may I gently point out that you hired Tim Hames, who was a journalist for *The Times*, which is owned by News International?

Turning to the substance of my question, the Prime Minister is right to say that we should get to the bottom of this because ordinary people care about it, but they also care about, and will be affected by, what is happening in the eurozone. Will the Prime Minister tell us that the same amount of time that we are dedicating to this, with the Opposition discussing conspiracy theories, will be dedicated—

Mr Speaker: Order. We have got the thrust of the hon. Gentleman's question. He will resume his seat; that was quite long enough.

The Prime Minister: My hon. Friend has been extremely brave, if I may say so, Mr Speaker. As Parliament is going into recess for six weeks, perhaps that will be long enough for everyone to forget what he has just said. He is right, however, to say that we should focus as well on what is happening in the eurozone—and my right hon. Friend the Chancellor and I are holding a series of meetings to make sure that we get our response right.

Alex Cunningham (Stockton North) (Lab): Does the Prime Minister agree with the hon. Member for Grantham and Stamford (Nick Boles), who told "Newsnight" viewers that this scandal was just "a little local difficulty", so it was okay for the Prime minister to leave the country at the height of the crisis?

The Prime Minister: I did not watch "Newsnight"—I do not always catch it—but I think that it is important that the British Prime Minister stands up for British business, British exports and British jobs, and loads up aeroplanes with business men and goes around the world, as I have done, to China, India and Africa. To suggest that because there are issues that you have to answer at home you should cancel a trip like that is talking Britain down, and I think that the Opposition should be better than that.

Mark Menzies (Fylde) (Con): In recent days the work of Select Committees has stood the House in good stead and done us proud, but in 2003 a Select Committee warned of a "catalogue of deplorable practices" in the media and of potential payments being made by journalists to the police. In the investigation announced by the Prime Minister, will we go that far back and understand why the advice and warnings of that Select Committee were ignored?

The Prime Minister: I am sure the judicial inquiry will do that. One of the issues that it is looking at is the relationship between politicians and the media, and the conduct of both.

Stephen Timms (East Ham) (Lab): If the Prime Minister had known the new information about Andy Coulson given to his chief of staff by *The Guardian*, would he have gone ahead with the appointment? Surely he should have been passed that information.

The Prime Minister: I explained all this at Question Time last week. The point is this: if I had been given proper evidence that Andy Coulson knew about hacking, I would not have hired him. If I was given proper evidence that he knew about hacking, I would have fired him. I could not be clearer about it.

Alec Shelbrooke (Elmet and Rothwell) (Con): May I congratulate the Prime Minister on taking the lead when new evidence came to light, and establishing an independent inquiry? May I urge him to assure my constituents in Elmet and Rothwell that having got the independent inquiry under way, he will focus on making sure that their jobs and livelihoods are protected, with the economic tsunami that is round the corner?

The Prime Minister: My hon. Friend makes an important point. One of the things we can now do is leave the public inquiry to answer a lot of these difficult questions and refocus ourselves on issues related to the economy, the eurozone and jobs, which badly need answers.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): May I ask the Prime Minister a question that will both help him to be transparent and quash a conspiracy theory? What was the name of the company that vetted Andy Coulson?

The Prime Minister: The point is that we employed a company to do this work. It was not something that we were planning to publish. It is something that companies and businesses do all the time, but in the end the responsibility is mine for employing him on the basis of the assurances that he gave.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Is the Prime Minister aware that the previous Administration spent over £11 million on advertising with News International. Does this practice still continue?

The Prime Minister: We have seen an enormous cut in the Government advertising budget—just one of the many things we have done to cut out the waste created by the Opposition.

John Mann (Bassetlaw) (Lab): At Chequers or anywhere else, on how many occasions has the Prime Minister discussed this scandal with Andy Coulson since Mr Coulson left his employment?

The Prime Minister: As the House knows, Andy Coulson came to stay with me in March. I have not spoken to him for weeks. While he worked for me, that obviously was discussed on an ongoing basis. Just to repeat: if I had had evidence that he knew about the hacking, I would not have employed him, and if I had had some while he was working for me, I would have relieved him of the appointment.

Mr Marcus Jones (Nuneaton) (Con): The Prime Minister's predecessor, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), said that he wanted to hold a public inquiry into this matter. Can the Prime Minister tell the House what detailed preparations on these important issues were left behind in No. 10 for him on taking office?

The Prime Minister: Just like everything else, I found a complete mess.

Mr Andy Slaughter (Hammersmith) (Lab): As regards the use made by Andy Coulson of Neil Wallis in the run-up to the general election, the Prime Minister said today that he would be transparent when he got to the bottom of it. Will that inquiry be independent? Why cannot he publish today any documents relating to the use of Mr Wallis?

The Prime Minister: I want to get to the bottom of the question that the hon. Gentleman asks about what advice Mr Wallis gave to Mr Coulson. When I find that, I will reveal it. Perhaps the hon. Gentleman will take the time to ask the leader of his own party why he will not reveal his media contacts going back to the election. I am being much more transparent than the Opposition.

Angie Bray (Ealing Central and Acton) (Con): The Prime Minister will recall that the previous Prime Minister, Gordon Brown, intervened with the EU Commissioner to ensure the continuing monopoly of Rupert Murdoch over private—

Mr Speaker: Order. May I remind the hon. Lady that I have made the point already and reminded the House that reference to Members should be by constituency?

Angie Bray: Does my right hon. Friend agree that that does not square with the statement made by the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) to the House last week when he said that he had never done anything to further News International interests?

The Prime Minister: There is quite a contrast—let me put it like this—between the speech that the right hon. Gentleman made last week and the evidence that we heard yesterday.

Ian Murray (Edinburgh South) (Lab): If the Prime Minister refuses point blank to tell the House the name of the company that vetted Andy Coulson, will he place the documents with regard to that vetting in the Library of the House?

The Prime Minister: Let us be clear. The responsibility for hiring him is mine and mine alone. That is the responsibility I take. The hon. Gentleman might not like the answer, but that is it.

David Rutley (Macclesfield) (Con): Like many other Members, I am sure, I have been contacted by local newspapers which are concerned about the prospect of new regulation at a time of increasing pressure on their circulation. Can my right hon. Friend assure them that new regulations will not be overly heavy-handed on local press?

The Prime Minister: My hon. Friend makes a good point. We do not want a new regulatory system to punish the innocent, as it were, who are just providing good local newspapers, but there are problems with ethics and issues that need to be looked at. We need to make sure that it is proportionate.

Mr Wayne David (Caerphilly) (Lab): In *The New York Times* article of September last year it is stated:

"One former editor said Coulson talked freely"

with colleagues about phone hacking. Given that the Prime Minister has read the article, how can he say he had no new evidence of a link between Coulson and hacking?

The Prime Minister: I discussed these allegations at the time and there was no proper foundation for them. That is not just my view, but the view of many people who followed the issue. Of course, there is an investigation under way. I could not have been franker. If it turns out that Andy Coulson knew about hacking, it will not just be a matter of profound regret and of profound apology—an apology that I have given today. It will also be an issue for criminal prosecution.

Damian Hinds (East Hampshire) (Con): The Prime Minister has rightly taken the lead in openness and transparency. Will he encourage the Opposition to do likewise and open the vaults on what happened on their watch, particularly the activities of Damian McBride and the culture that allowed that to happen?

The Prime Minister: We have set out since the election all the contacts we have had. It is now for others to follow suit, not just former Labour leaders, but current Labour leaders as well.

Anas Sarwar (Glasgow Central) (Lab): If the Prime Minister cannot name the company that did the vetting of Andy Coulson, can he confirm that the company or any of its directors did not make any donations to the Conservative party?

The Prime Minister: I will write to the hon. Gentleman. I do not want to give an answer that is not accurate.

Nigel Mills (Amber Valley) (Con): After a decade of spin, I welcome the Prime Minister's attempt to sort out the relationship between politicians and the media for the long term, not just to manage the news cycle. Will he recommend that Government Departments, local councils and quangos start dispensing with all their own spin doctors so that we can be truly rid of that spin culture?

The Prime Minister: My hon. Friend makes a good point. An enormous amount of money is still spent by local authorities on their own free local newspapers. That is injurious to the newspaper industry. There is a strong case for recognising the importance of a strong regional and local newspaper industry.

Angela Smith (Penistone and Stocksbridge) (Lab): *The New York Times* last September said that the reporter to whom it had spoken was one of two people who said that Coulson was present during discussions about phone hacking. Did the Prime Minister discuss that allegation with Andy Coulson and if not, why not?

The Prime Minister: As I have said, I had a number of conversations all the time during his employment. In the end the swirl of allegations is why he left. What we have now is not only a criminal investigation, where people are being interviewed by the police and the

police can go without fear or favour, but a public inquiry. None of these things happened properly under the previous Government; they are happening now, and no one will be immune from them.

Several hon. Members *rose—*

Mr Speaker: Order. May I remind Members that as a matter of basic courtesy, Members standing and seeking to catch my eye should not simultaneously be fiddling with their electronic devices? I should have thought the point was so obvious as a matter of courtesy, but apparently not.

Christopher Pincher (Tamworth) (Con): Will the Prime Minister ensure that the activities of Damian McBride, the king of smears and spin under Labour, will also form part of the investigation that he undertakes?

The Prime Minister: The Opposition do not like hearing about it because they know that they had people working in Downing street whose conduct was absolutely despicable. That is a contrast they cannot avoid.

Toby Perkins (Chesterfield) (Lab): The Prime Minister seems to be suggesting that his appointment of Andy Coulson was a huge success. In fact, Sir Paul Stephenson has made it clear that that appointment prevented him from giving information to the Prime Minister that he would otherwise have given. Is it not fundamentally obvious to everyone that the Prime Minister made a dramatic error of judgment in appointing Andy Coulson, not with the benefit of—

Mr Speaker: Order. Questions are becoming longer and longer, and they need to get shorter.

The Prime Minister: I simply say to the hon. Gentleman that he should check the transcript of what Sir Paul Stephenson and John Yates said yesterday. They think that Edward Llewellyn behaved entirely appropriately, as do I, and as does the person sitting next to the hon. Gentleman, the right hon. Member for Leicester East (Keith Vaz).

Alun Cairns (Vale of Glamorgan) (Con)): In 2006 the Information Commissioner published two reports expressing concerns about the risk of phone hacking. For the sake of the victims, does the Prime Minister regret that no action was taken at that time?

The Prime Minister: I think that it is a matter of regret. Frankly, both Front-Bench teams have to accept that warnings from the Information Commissioner and Select Committees were not heeded. We have to recognise that there were issues about relations with media groups that made that happen, and we have to get to the bottom of how we prevent it from happening again. I hope we can address that point in the debate.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Will the Prime Minister tell the House the details of any appropriate conversations he had about the BSkyB bid, specifically with Rebekah Brooks and James Murdoch on 23 December and with Rebekah Brooks on Boxing day 2010?

The Prime Minister: What I have done that no Prime Minister has done before is set out all the details of the meetings and explained that all the conversations were appropriate. That was backed up by Rebekah Brooks yesterday. If the hon. Lady wants to help, she could ask the leader of her party to be equally transparent, which he is not being at the moment.

Chris Heaton-Harris (Daventry) (Con): Following on from the question from my hon. Friend the Member for Amber Valley (Nigel Mills), will the Prime Minister join me in hoping that this will be the end of the ever-increasing rise of the press officer paid for by police constabularies across the country?

The Prime Minister: I would be a little careful about this. The police have to have a relationship with the media, both at the top level to communicate what the police are trying to do strategically, and at the operational level to work with the local press to help beat crime. There is therefore an appropriate relationship. We have to try to ensure that they do not have an inappropriate relationship.

Graham Jones (Hyndburn) (Lab): Has the Prime Minister ever uttered the word "BSkyB" in the presence of Rebekah Brooks, Rupert Murdoch or James Murdoch?

The Prime Minister: You know—urgh!

Matthew Hancock (West Suffolk) (Con): Does it not raise serious questions about how the previous Government operated that Labour Members seem to think it would have been appropriate for the Prime Minister to be briefed on operational police matters? Do not the e-mails released show just what a professional his chief of staff is?

The Prime Minister: I thank my hon. Friend for putting that on the record because it is right. The judgment that my chief of staff reached was backed in advance by the permanent secretary at No. 10 and has been backed subsequently by leading police officers and the head of the Home Affairs Committee.

Andrew Miller (Ellesmere Port and Neston) (Lab): The Prime Minister said that it was only on Sunday that he found out about Mr Wallis's role, but others around him knew of it well before that. Does the Prime Minister not feel let down by them, including by Mr Coulson?

The Prime Minister: To the best of my knowledge, the first I knew of it was on Sunday. We are now getting to the bottom of what this informal advice was, and when we have the information, we can make it available, just as we have been transparent about all the media meetings and all the meetings with the moguls about everything else. In the meantime, the hon. Gentleman should have a word with his party leader and ask him to be equally transparent.

Mrs Eleanor Laing (Epping Forest) (Con): Does the Prime Minister agree that the vast majority of people in the country, whom we in the House represent, are absolutely fed up with this party political point scoring in the Westminster village, and that they will warmly welcome his setting up of the inquiries today and will

[Mrs Eleanor Laing]

hope that those inquiries can get on with their work and that the Prime Minister can get on with his work of improving the country's economy and representing this country in the international field?

The Prime Minister: The British public are wise about this. They want us to get on with it and fix this problem. Frankly, they know that both parties have done a lot of sucking up to the media in their time. They want us to get on with it, work together and sort it out.

Gavin Shuker (Luton South) (Lab/Co-op): In his statement, the Prime Minister said that "if it turns out that I have been lied to, that would be the moment for a profound apology." I say this more in sadness than in anger, but is it not exactly such phrases that lead the public to hold our profession in contempt? I invite him now to give an apology, even if it might not be politically expedient.

The Prime Minister: I said that I am extremely sorry and that I deeply regret the whole furore that this has kicked up. *[Interruption.]* I did. I said that Opposition Front-Bench Members ought to listen. The second point I made was that with 20:20 hindsight, knowing everything that subsequently happened, I would not have offered him the job, and to be fair to Andy Coulson, he would not have taken it. However, I do not believe in politicians trying to shuffle off their responsibilities. I made this decision. I employed this person. I defend his record working in government. If it turns out he lied to me about what happened before, that would mean an even deeper apology and even deeper regret than I have expressed today. I am telling hon. Members what I feel about this; how I act as a politician about this. I cannot do more than that.

Jane Ellison (Battersea) (Con): The Prime Minister has challenged us all to deal with the consequences of these events. Does he agree that a good start would be if the Opposition were to be a little more realistic about the extent of their own recent contacts with News International, especially considering that on 22 April, the Leader of the Opposition, in a feature-length interview with a national newspaper, said in response to a question about whether he could yet unveil his new policies:

"You will read it first in The Sun"?

The Prime Minister: That is my point. We have all engaged in this activity. The public know that we have all engaged in it and we should all be honest about it so that we can try and move on.

Thomas Docherty (Dunfermline and West Fife) (Lab): Was Mrs Brooks lying yesterday when she said that it was the Chancellor's bright idea to hire Andy Coulson?

The Prime Minister: The Chancellor has many bright ideas and he and I discuss many things, but in the end I never seek to shuffle off my responsibilities. This was my decision and I am accountable for it.

Gavin Barwell (Croydon Central) (Con): One of the Leader of the Opposition's main charges in his statement was that the commissioner did not tell the Home Secretary or the Prime Minister about the appointment of Neil Wallis because of the position of Andy Coulson. Ten minutes later, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) said that when he was Home Secretary, he was not informed about the appointment either. Does that not blow the Leader of the Opposition's argument out of the water?

The Prime Minister: Even from Nigeria I could follow the Home Secretary's excellent statement in which she made precisely that point, referring to the point made by the former Home Secretary. I think that that blows away part of the Leader of the Opposition's flimsy case.

Sheila Gilmore (Edinburgh East) (Lab): Since being elected, constituents have contacted me regularly about the BSkyB takeover and their concerns about it, particularly about undertakings being given or offered by an organisation that has been proven to break its undertakings. At any point, did the Prime Minister discuss with anyone from News International the possibility of undertakings being given?

The Prime Minister: I have answered this question. I took myself out of the whole decision-making process on BSkyB. Having looked at what has happened, I would argue that the Secretary of State for Culture, Olympics, Media and Sport has taken a series of absolutely correct decisions on the basis of the legal information that he received.

Paul Uppal (Wolverhampton South West) (Con): There are very few places in the world where the leader of the Executive would subject himself to two hours of questioning. One thing that shames our democracy, though, is that there are elements in the House that seem to want to make political capital out of the hacking of Milly Dowler's phone.

The Prime Minister: As someone once famously said, I'm enjoying this. The point is that my hon. Friend is right to draw attention to the fact that at the heart of all this is the issue of Milly Dowler. *[Interruption.]*

Mr Speaker: Order. I have been enjoying listening to the questions and answers as well, but I want to continue that enjoyment and to hear what the Prime Minister is saying.

The Prime Minister: I simply wanted to make the point to my hon. Friend that he is right. At the heart of all this, as we have all these debates and discussions, we must bear in mind the victims of phone hacking, chief among whom are the family of Milly Dowler.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Nigel Pickover, a constituent of mine, is editor of the *Evening Star* and recently wrote to the Prime Minister, and was grateful for his response. Is it not fair to say that local newspapers have not so far been implicated, that we should welcome their campaigns and local journalism, and that we should support the local press wherever they are?

The Prime Minister: They play a vital role in the health of our local democracy, our constituencies and what I call the big society. Clearly, the inquiry has to go

wherever the evidence leads and to all newspapers, but I think that regional and local newspapers play an important role in our country.

Glyn Davies (Montgomeryshire) (Con): I believe that most Members will welcome and greatly support the inquiries that the Prime Minister has announced to get to the bottom of issues that have faced this Government and previous Governments. However, will he emphasise the urgency with which we must deal with these issues so that we can get back to dealing with the other matters that are so important to our constituents?

The Prime Minister: I think my hon. Friend is right. We have to crack this, we have to deal with it and we have to do it in a way that restores public confidence, but then we must get on to the other things our constituents care passionately about.

Mr George Howarth (Knowsley) (Lab): Given the importance of the BSkyB decision to the balance of broadcasting in this country, why did the Prime Minister think it necessary to take himself outside the decision-making process?

The Prime Minister: I am going to go further in a minute in my speech and suggest that it may be the case that we should take politicians out of all decisions about media mergers altogether, but I was recognising the fact that if you are the leader of a party, you are trying to win over newspapers, television and all the rest of it, so the more you can take yourself out of decisions about future media structures, frankly, the better for all concerned. I do not understand why the right hon. Gentleman does not get that.

Bob Stewart (Beckenham) (Con): It is quite clear that relationships between our political leaders and leadership in the media are going to continue, so does my right hon. Friend agree that it is up to our political leaders, and this House, to get as soon as we can a system for dealing with this that is sound, proper, transparent and healthy?

The Prime Minister: I agree with my hon. Friend, and I am going to address that directly in the speech that I will make in a moment. This is an opportunity to reset the clock, and we should take it.

Margaret Curran (Glasgow East) (Lab): May I ask the Prime Minister, in all sincerity, to dissociate himself from the comment of the hon. Member for Wolverhampton South West (Paul Uppal)? I can assure the Prime Minister, despite the debates that are going on here, that there is not one Member on the Opposition Benches who is seeking to make political capital out of the—*[Interruption.]* Can I ask the Chancellor in particular to pay attention to the last part of my remarks? I can assure this Chamber in the deepest sincerity that I do not believe there is one person in the Chamber seeking to make political capital out of the phone hacking —*[Interruption.]* I am deeply disappointed that I am not being heard. Let me tell the Prime Minister directly that there is not one person who is willing—*[Interruption.]*

Mr Speaker: Order. I must just ask the hon. Lady now to ask a single question in a sentence.

Margaret Curran: Will the Prime Minister dissociate himself from comments that allege that Opposition Members are seeking to make political capital out of the phone hacking of Milly Dowler?

The Prime Minister: I do not question the hon. Lady's motives, but the point about this place is that people can watch what has been said, and they can form their own judgments.

Chris Skidmore (Kingswood) (Con): As a matter of public record and as part of the public inquiry, will the Prime Minister ask Sir Gus O'Donnell to publish any record of meetings held between special advisers at Nos. 10 and 11 Downing street since the year 2000?

The Prime Minister: Tempting as it would be, under our system politicians in one Government cannot order the publication of papers in another Government, fascinating though it might sometimes be.

Michael Ellis (Northampton North) (Con): The Home Affairs Committee issued a report at 5 o'clock this morning that was critical of police whose evidence yesterday and last week included attempts to pass the buck to alleged wrongdoers for not co-operating with the police. Does the Prime Minister agree that alleged wrongdoers often do not co-operate with the police, and that the police should follow the evidence where it takes them?

The Prime Minister: The police must absolutely do that. They know that that is what everyone in this House wants and what the country expects. They now have a properly resourced police investigation, it is under new leadership, and we all wish them well with what they are doing.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): One group of people that we have not discussed today is the hugely powerful trade union bosses, who have an extraordinary influence over the Leader of the Opposition. Will the inquiry look into their contacts with Rupert Murdoch and his organisations?

The Prime Minister: I think it is ingenious, after 136 questions, to come up with something entirely new, so I pay tribute to my hon. Friend. I am sure the judge will be able to look at all vested interests and the power that they wield in our country.

Mr Speaker: I thank the Prime Minister and all Members. I was advised that there were 138 Members, but we will settle for 136, who have had the opportunity to question the Prime Minister, and I thank everyone for participating.

Points of Order

1.54 pm

Several hon. Members *rose—*

Mr Speaker: Order. We want to move on to the debate pretty speedily, I think, but I shall briefly attend to points of order.

Robert Flello (Stoke-on-Trent South) (Lab): On a point of order, Mr Speaker. During his statement, the Prime Minister said that Alastair Campbell had falsified Government documents. I am sure that many people would like to see the evidence for that. Will you ask the Prime Minister to arrange for it to be placed in the House of Commons Library?

Mr Speaker: The reason I will not is that the point that the hon. Gentleman makes, though very important to him and possibly to others, represents a continuation of the debate, and we must not use points of order for that purpose.

Mark Reckless (Rochester and Strood) (Con): On a point of order, Mr Speaker. Is it in order for a witness to refuse to answer a Select Committee question, as the noble Lord Macdonald did yesterday when I asked him how much he was being paid by News Corporation? Is it not in the public interest that he disclose that, given his role, as Director of Public Prosecutions, in limiting the police inquiry?

Mr Speaker: What I would say to the hon. Gentleman—this is the first I have heard of this—is that witnesses before Select Committees should seek to be as helpful as possible to Committees, and they have a general obligation to furnish Committees with answers to the best of their ability. I hope that answer is helpful to him.

Mr Ben Bradshaw (Exeter) (Lab): On a point of order, Mr Speaker. The Prime Minister said earlier that *The New York Times* revelations contained no new information, but the police considered the information new enough to reopen their inquiries. Would he care to correct the record?

Mr Speaker: That, too, is a continuation of the debate, for which I remind the House there will be full opportunity in the debate that is about to follow.

Mr Denis MacShane (Rotherham) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I hope it is a point of order.

Mr MacShane: So do I, Sir, so do I. In general, is it in order for any right hon. or hon. Member, Prime Minister or Back Bencher, to make a defamatory statement in the House?

Mr Speaker: Members should take responsibility for their own statements, and of course they should not make defamatory statements about other Members, but the right hon. Gentleman is raising his point of order in the abstract, so for me it becomes hypothetical. The Speaker, I think wisely, does not seek to respond to hypothetical questions.

Robert Halfon (Harlow) (Con): On a point of order, Mr Speaker.

Mr Speaker: Point of order, Mr Robert Halfon. I hope it is the last.

Robert Halfon: Following your earlier remarks about reviewing security given the incident yesterday, Mr Speaker, will you ensure that the public continue to have the right to go to Select Committees, and that their right is not restricted?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. The right to attend meetings in the way that he describes is a very long-established and precious freedom. I think it would be quite wrong for me to seek to constrain or circumscribe what an independent investigation can cover and recommend, but the point he makes is an important one. I have underlined its importance, and I think many people will share his point of view.

Business without Debate

SITTINGS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising this day, do adjourn until Monday 5 September 2011.—*(Sir George Young.)*

Question agreed to.

Public Confidence in the Media and Police

[Relevant document: the Thirteenth Report of the Home Affairs Committee, Session 2010-12, on Unauthorised tapping into or hacking of mobile communications, HC 907.]

1.57 pm

The Prime Minister (Mr David Cameron): I beg to move,

That this House has considered matter of public confidence in the media and the police.

You have heard a lot from me already, Mr Speaker, so I will keep my opening remarks brief.

I want to start by paying tribute to this House and to hon. Members who sit in it. Just a couple of years ago, at the height of the expenses scandal, people said we had lost relevance and that we no longer properly represented the constituents we served. We have got a long way to go before regaining full public trust, but the past two weeks have shown the House, in many ways, at its best.

We have seen the true worth, for instance, of our Select Committees, with the forensic scrutiny of those in positions of power, in the public interest. I particularly want to pay tribute to those chaired by my hon. Friend the Member for Maldon (Mr Whittingdale), the right hon. Member for Leicester East (Keith Vaz) and my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith). We have seen vigorous debate, with this House leading the public debate, finishing of course with News Corporation's withdrawal of its bid to take over BSkyB, and we have seen cross-party support and action to get to the bottom of what happened and learn lessons for the future.

We now have in place a judge-led, independent public inquiry. It will have all the powers necessary, and I want to start the debate by saying that we must be careful not to pre-empt all its deliberations or seek in advance to answer all the questions it must address. There is a good reason for setting up this inquiry, and we must let it do its work. That does not mean that we should not be clear about the big picture of what needs to be done. As I said a moment ago, all this has got to begin and end with the victims; it is they who have suffered the most, and we must do right by them.

In opening this debate, I simply want to set out the four vital questions that we need to answer, which in turn lead to four vital things that we, as a House of Commons, must resolve never to let happen again. The first question is how we can secure a free and vibrant media, completely unafraid to challenge authority but operating within the law. We must never again see this widespread lawbreaking, including the terrible crimes committed against people who have already suffered. We should not assume that those practices extend across all media, some of which have an excellent reputation, but neither should we think that this is isolated in just one institution.

The second issue is how we can secure strong, well-led, independent yet accountable police forces that are able to pursue the powerful without fear or favour. Yes, they must be able to work constructively with the media, but never again should they be at risk of being corrupted by the media.

Barry Gardiner (Brent North) (Lab): The Prime Minister will know that Operation Weeting began just four days after the resignation of Andy Coulson. Can he therefore confirm to the House that no one at No. 10—neither he nor any of his officials or advisers—had any notice of the commencement of Operation Weeting?

The Prime Minister: I can only speak for myself: I had no notice of it. I know full well that Andy Coulson's resignation, and the timing of it, were not connected to any event like that. The timing of it was simply a result of his recognising that he could not go on doing his job with that swirl of allegations going on. To be fair to Andy Coulson, he recognised that the second chance that I had given him had not worked. That is why I have been so clear about that issue today.

The third issue is how we can bring about a situation, which he have discussed a lot today, in which governing parties eager to hold on to power or opposition parties yearning to win power can have a sensible, healthy relationship with media groups and owners without ducking the regulatory issues that need to be addressed. We must never again get into a situation in which the issues of effective media regulation are left on the shelf year after year.

Penny Mordaunt (Portsmouth North) (Con): In response to the Prime Minister's call for party leaders to join him in publishing their dealings with the media, the Leader of the Opposition heckled "No, you're the Prime Minister". Does my right hon. Friend agree that this situation would be greatly helped if those who aspired to be the Prime Minister behaved like one?

The Prime Minister: I am sorry that my hon. Friend did not get in to speak among the first 138, because that was an absolute cracker.

We have seen that cosiness with the media is clearly a problem for the police, but it might be a problem for other walks of public life as well. I have therefore asked the Cabinet Secretary to write to all permanent secretaries to ask them to review the way in which contacts between the media and their staff, and other professional groups that work with their Departments, are regulated and recorded. We see that there is a problem with the police and the media, and we need to get ahead of there possibly being problems with other groups as well.

Stella Creasy (Walthamstow) (Lab/Co-op): Given that the Prime Minister has today dismissed the evidence set out in *The New York Times* that caused the police to reopen the investigation into phone hacking, does he have confidence in their decision-making processes? Or does he think that press reports should not be part of police investigations?

The Prime Minister: Of course everything that is published should be brought to my attention and to the police's attention. The point I am making is that if I had been given evidence that Andy Coulson knew about hacking, I would not have hired him, and if I had had evidence that he knew about hacking, I would have fired him. I cannot put it any simpler than that.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Will the right hon. Gentleman give way?

The Prime Minister: I will give way in a moment; I want to make some progress.

The fourth and final challenge is how we address the vexed issue of media power. We need competition policy to be properly enforced. We need a sensible look at the relevance of plurality and cross-media ownership. Above all, we need to ensure that no one voice—not News Corporation, not the BBC—becomes too powerful. We should be frank: sometimes in this country, the left overestimates the power of Murdoch, and the right overdoes the left leanings of the BBC. But both have got a point, and never again should we let a media group get too powerful.

Alan Johnson: John Yates wrote to me, as previous Home Secretary, last week. He wrote me a private and confidential letter, in which he said—*[Laughter.]*

Mr Speaker: Order. I want to learn about this private and confidential letter.

Alan Johnson: I accept that there is a certain paradox involved here.

The letter says:

"The reason that a new investigation has been commenced and the situation has subsequently changed so markedly"—

that is, since the advice given to me as Home Secretary—

"is that in January 2011 News International began to co-operate properly with the police. It is now evident that this was not the case beforehand."

January 2011 was when Andy Coulson resigned. Does the Prime Minister think that that is just a coincidence?

The Prime Minister: The point I was going to make, which is important, is that in my understanding, the reopening of the investigation was in response to new information from News International, and that it was not in response to the April article. The point about Andy Coulson's resignation, which had been under discussion for some weeks, was that he recognised that he could not go on doing his job. It was not, to the best of my memory, connected with any single event. It was literally: "I can't go on being an effective communications spokesman. I have to resign. Let's just make sure we get on with it and do it in an orderly way." *[Interruption.]* I know that that does not fit the many conspiracy theories that hon. Members have tried to produce, but that is actually what happened.

Let me make three suggestions on media plurality and power. One: it is right that there are good and proper legal processes for considering media mergers, but we should ask whether politicians should be abstracted from them altogether. Two: it is right that there is a plurality test, but we should ask whether that test should be ongoing, rather than just considered at the time of takeover. Three: plurality is difficult to measure, especially in the modern internet age, but we should not rule out the idea of limits, and it is right that the inquiry should look at this issue.

Mr Andrew Tyrie (Chichester) (Con): What the Prime Minister has said about plurality is extremely interesting and important, and it will have a bearing on the future structure of Ofcom, but does he agree that we need to think carefully before tearing up the main provisions of the Enterprise Act 2002, which keeps Ministers out of decisions on takeovers and mergers?

The Prime Minister: I certainly agree with that. Indeed, I think that there might be a case, when it comes to media mergers, for trying further to remove politicians. In regard to all the issues that have been raised so many times today, that might be one way of putting all this beyond reproach.

It might sound decisive to talk about never letting these things happen again, as I have done, but let us be frank: it is far more difficult to deliver that outcome. We in this House need to recognise some home truths about the subjects we are discussing. First, none of these questions—for instance, about media influence and power—is new. There has been a debate about undue influence that stretches from Beaverbrook to Rothermere to Murdoch. Ironically, with newspapers declining and the internet booming, this should be becoming less of a problem. Nevertheless, a problem it remains. In my view, this simply underlines the need for the inquiry, because it will help to jolt us politicians into action, and that is no bad thing.

Chris Bryant (Rhondda) (Lab): Sue Akers, who is now in charge of the investigation, says that what broke the logjam of the cover-up was the civil cases that were taken by individuals forcing disclosure by News International. Part of the problem, and one of the reasons we have all failed in this over the past 20 years, is the fact that News International and Metropolitan police officers directly lied to Parliament, and the Select Committees were either unable to or did not do anything about it. One of the problems with the Leveson situation is that, because of the Bill of Rights 1689, he will not be able to consider whether Parliament was lied to. We are the only people who can decide that. Will the Prime Minister ensure that there is a point at which we in this House can make that decision?

The Prime Minister: The hon. Gentleman is making an important point. His recognition that this is a 20-year issue in which politicians of all parties have not stepped up to the mark is wholly to his credit. I want to take away his question of parliamentary privilege and the Bill of Rights and give him a considered response to it, because I do not want the inquiry to be prevented in any way from getting to the truth. Our constituents would not understand it if there were some process, however important it might be historically, that could prevent that from happening.

The second home truth is that none of these questions is restricted to Britain. Right across the world, there is a problem of ensuring that police forces are accountable to the Government yet independent from them. We must never compromise operational independence. This goes to some of the questions that I was asked earlier. We must not move to a system in which politicians can step in to say, "Why haven't you re-run this investigation?" or "Why haven't you arrested that person?" We need to think for a moment where that would lead. But that makes it all the more important that police leadership is strong, and that the police are called to account when they fail. That is why we are introducing directly elected police and crime commissioners, to bring proper accountability to policing.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I am grateful to my right hon. Friend and I agree very much with the point he has just made. However, does he not

agree that he needs to be absolutely clear beyond any doubt that no elected police and crime commissioner can direct that an investigation should not begin, or, indeed, should begin?

The Prime Minister: That is absolutely right—we must maintain operational independence. The point about the police commissioners is calling the police to account for the work that they do, but the operational independence point is extremely important.

Ms Karen Buck (Westminster North) (Lab) *rose—*

The Prime Minister: Let me make a bit of progress, and then I will give way to the hon. Lady.

The relationship between the police and the media is a problem the world over, too, but we have to ask—and hon. Members have been asking this today—why ours seems to have become quite so cosy, so leaky and so potentially compromised. Similarly, there is nothing peculiar to Britain about the potentially unhealthy relationship developing between media proprietors and politicians.

That leads to my third point, about trying to turn these noble sentiments of "never again" into action. None of this is easy, and a point that must not be lost in this debate is that to over-regulate the media could have profoundly detrimental effects on our country and our society. We must not miss this in the frenzy about the dreadfulness of hacking at this point. Without a public interest defence, the so-called "cod fax" that uncovered Jonathan Aitken's wrongdoing might never have emerged. To give another example, are we seriously going to argue in this House that the expenses scandal should not have come to light because it could have involved some data that were obtained illegally? So, we need to step very carefully into this area.

Mr William Cash (Stone) (Con): Will my right hon. Friend give way?

The Prime Minister: I have got a feeling that it will be a question about the Bill of Rights that I will not be able to answer—but I am going to try it anyway.

Mr Cash: I am glad to say that it is about not the Bill of Rights but the terms of reference that are now in the Library. I simply wanted to ask the Prime Minister to answer this question, if he would be good enough, on the recommendations that can be made by the judge-led inquiry with reference to the question of media policy, regulation and cross-media ownership. Is this intended to cover the whole media, in a way that would ensure that the kind of standards expected of the media in relation to future regulation would be included in the judge-led recommendations?

The Prime Minister: I think the terms of reference are pretty clear. The point about cross-media ownership is not about conduct; it is about not just market power, but power of voice. What you are trying to do with cross-media ownership is, if one organisation has a very powerful television station, a number of newspapers, and perhaps some radio stations and some internet sites, how do you agglomerate that and try to measure its power? I can bore for Britain on this subject because I used to work for ITV, in competition with BSkyB and the BBC. It is a very difficult thing to do, but that does not mean we should not try. On the terms of reference, that is what the cross-media ownership part is about, but clearly it is looking at media regulation more broadly, specifically of the printed press, but it can go further.

Mr David Winnick (Walsall North) (Lab): Will the Prime Minister give way?

Ms Buck: Will the Prime Minister give way?

The Prime Minister: I am going to make some progress, and then I will give way a couple more times before I close.

So, Mr Speaker, the question is, given the difficulties I have mentioned, how do we maximise the chance of making a clean break with the past. I want to set out some very clear lessons. First, we have got to try to proceed on a cross-party basis; otherwise, we will have each party trooping off to media organisations and promising the lowest common denominator. If I say "independent regulation", there is a danger someone else will say "self-regulation", and so on. We could end up constantly competing with each other in a kind of regulatory arbitrage over who can be the softest and most appealing to newspapers, television stations and their owners. I do not think we should pretend this is simply about tabloids or even simply about newspapers. I am a huge supporter of the BBC and the licence fee, but, frankly, I think there did come a time in recent years when the income of the BBC was so outstripping that of independent television that there was a danger of BBC News becoming rather dominant. So, there are dangers right across the piece here.

The offer to work together with all parties on this agenda is indeed a genuine one.

Mr Winnick: However critical I may be of the press, and however biased in many ways, I am totally opposed to any form of gagging, and that, I am sure, is the view of most of my right hon. and hon. Friends. However, does the Prime Minister accept that self-regulation has been totally inadequate from day one? It has been a total farce, so if we are to have self-regulation, which I hope will continue, it must be far more effective than it has been.

The Prime Minister: I do agree with the hon. Gentleman that the current system of self-regulation has failed, not least because it did not properly respond to all these warnings. That is why I choose to talk about independent regulation. I do not want to see statutory regulation—the heavy hand of the state. We have got to try to find a way to make sure that the press are regulated in a way that is independent from them, but not by the state and the Government. I think it is doable.

Robert Halfon (Harlow) (Con): Will my right hon. Friend give way?

Ms Buck *rose—*

The Prime Minister: I am going to make some progress and then I will come back to my hon. Friend the Member for Harlow (Robert Halfon).

[The Prime Minister]

The second key to success in translating all this into action, I believe, is restraint. The media will see politicians agreeing with each other about the need for regulation, for plurality and all the rest of it, and they will fear a stitch-up. Indeed, they are already talking about one. So, I do believe that politicians need to show some restraint in what they say and do about the media. There are many in this House, I know, who have been victims of a media that have been prepared to break the law or behave in a bullying fashion. But we must not forget that this scandal, like so many others, whether we are talking about expenses or the FIFA scandal, which I feel particularly exercised about—they were uncovered to the fullest degree by the media, by newspapers, not by regulators. Let us not forget that. So, the balance we must strike now is to allow an aggressive, challenging and independent media, however much that might sometimes frustrate us, while halting the abuses that all decent people find unacceptable.

Several hon. Members *rose—*

The Prime Minister: Let me make a bit more progress.

The third key to success is that, while we cannot commit in advance to legislate simply for whatever comes out of this judicial inquiry, we should, I believe, invest all possible faith in this inquiry, because it is our best chance of making a fresh start.

Robert Halfon: I thank my right hon. Friend for giving way. Given what he has just said, is he aware that the BBC accounts for 70% of TV news, and that on the internet it has 10 times as much market share as Sky? Is not an answer to this to democratise the licence fee, and to give licence fee payers a vote on the board and structure of the BBC?

The Prime Minister: It is an interesting idea, which my hon. Friend can put to this inquiry. I think the key is—I am biased, as I worked in ITV for many years—that you do need strong, independent television to give people a choice of news. I have made many mistakes in my life, and I think one of them was agreeing, briefly, that it was a good idea to move the "News at Ten". I think it was a very bad decision, and a proper plurality in news is very important.

Several hon. Members *rose—*

The Prime Minister: Let me make a bit more progress.

In anticipation of what might come out of a judicial inquiry, we are planning a communications Bill this Parliament that can take into account the recommendations of the inquiry.

Finally, painful though it can sometimes be, there is no doubt in my mind that when it comes to the best way to achieve the more healthy relationship between politicians and the media, transparency is the absolute key. Clearly, that is vital in contact between political leaders and media groups. I have set out, as I have said today, all my contacts since the election; I look forward to others doing the same. I am sure that Tony Blair and the last Prime Minister will soon follow suit for their time in office.

Ms Buck: I am grateful to the Prime Minister for giving way. Returning to the issue of the police's operational independence, he rightly emphasised the important principle that politicians cannot tell the police whom to investigate and what to pursue, but that cuts both ways. What message does he think the Mayor of London was sending out when he said, in the same weeks when John Yates was scoping his inquiry, and just days after John Yates sent his e-mail to the Prime Minister's chief of staff, that any inquiry and any allegations were codswallop, politically motivated and not worthy of discussion?

The Prime Minister: The point I would make is that it is quite clear that the police have operational independence, because they have pursued, without fear or favour, these issues and they have arrested everyone they have thought it necessary to arrest. What is interesting is that I think that operational independence is so embedded into the psyche of British policing that, whether it is the Mayor of London or whether you have police commissioners, I do not think it would interfere with that.

Finally, Mr Speaker, in this debate let us not lose sight of the big picture. The people who send us here want some pretty straightforward things. They want their media free and punchy, but they want them within the law. They want their police independent and strong, but honest and incorruptible, and they want their politicians to sort out a mess that has sapped their faith in the key institutions of our country. Whatever our differences in this debate, we should be clear today: we will not let them down.

2.18 pm

Edward Miliband (Doncaster North) (Lab): I welcome this debate and in starting it, all of us should remember what brings us here. Parliament would not have been recalled today had it not been for the revelations about the hacking of Milly Dowler's phone. That revelation shocked our country and turned something that had seemed to be about the lives of politicians, footballers and celebrities into something very different about the lives of others who had never sought the public eye. It is the courage of Bob and Sally Dowler, and Milly's sister Gemma, in speaking out, that has been the spur for much that has happened in the last fortnight. I pay tribute to them for their courage in speaking out about these issues.

People's anger about what has happened with phone hacking has been real, but some people will no doubt ask—indeed, we heard a bit of this in the statement—why, when we have so many other problems facing the country in relation to the economy, the NHS, defence and all those issues, the House of Commons is debating this issue in particular. It is true that this issue does not directly concern our jobs and living standards, but it does concern something incredibly important on which all else depends—the fabric of our country. We do not want to live in a country in which the depraved deletion of the voicemails of a dead teenager is seen as acceptable, in which the police's failure to investigate that is seen as just the way things are and in which politicians' failure to tackle it is seen as the way things are.

Nicky Morgan (Loughborough) (Con): I do not think there is one person in the country—well, maybe there are a handful—who thinks the depraved deletion of a

voicemail, as the right hon. Gentleman describes it, is acceptable. What people are wondering about is whether politicians find it acceptable when people are not honest—this is across the House—about dealings between politicians, the press and the police. That is why we are here today. I do not want him to think that anyone in the House would think those deletions were acceptable.

Edward Miliband: I agree completely with the hon. Lady's comments. As the Prime Minister said in his speech, there are issues here for the press, the police and, indeed, politicians.

This debate goes to the heart of the country we should aspire to be. It goes to the integrity, responsibility and accountability of some of our established institutions. At the heart of the debate is the issue of how these institutions and the people who head them act. Can the press be trusted, in the words of the Press Complaints Commission's first chairman, Lord McGregor, not to dabble

"their fingers in the stuff of other people's souls"?

Can the police be trusted to investigate wrongdoing without fear or favour? Can we, as politicians be trusted—as I have said and as the hon. Member for Loughborough (Nicky Morgan) has just said—to speak out when wrong is done?

For the Dowler family, let us be honest, until just two weeks ago the answer to all those questions was no—and the fact that it was should shame our country. So when I read in the newspapers that this is the angst or obsession of a few people in Westminster, I say that it is not, because it goes to the kind of country we are.

It also goes directly to something else that we on both sides of the House hear and talk about a lot: the responsibilities of those without power in Britain, such as those on benefits. We all use words such as "cheats" and "abusers" and we saw that language in the *News of the World*; some of it is even true in respect of a minority, but how much—let us be honest about this—do we talk about the responsibilities of the powerful? What message does it send to the rest of our society when the established institutions of our country behave without responsibility? It sends the message that anything goes because no one seems to care about right and wrong.

This debate goes to one more, final issue: just as the expenses issue undermined the reputation of the good, decent majority on both sides of the House, so too this scandal affects the vast majority of good, upstanding police officers on whom all our communities rely and affects the vast majority of decent journalists who are doing their job and are, as the Prime Minister said, necessary for a free and fair society. It is also in their interests that we sort this out.

When people say that this does not matter they are not just saying, "Let's talk about something else", but something far more serious. That cynicism about the country we live in is almost inevitable—that nothing can be done. I say to Members on both sides of the House. and I am sure that I speak for Members across the House when I say it, that if we fall prey to that, nobody will trust established institutions in this country—or, indeed, anyone else.

Mr Graham Stuart (Beverley and Holderness) (Con): The Labour party's director of communications, Tom Baldwin, is accused of having been involved in the unlawful accessing of banking records to establish details of payments made. May I ask the Leader of the Opposition, who himself aspires to lead this country, what checks he made and what assurances were given to him about Mr Baldwin's conduct before he appointed Mr Baldwin to that high office?

Edward Miliband: I take all allegations against members of my staff seriously, which is why I checked these out with *The Times* newspaper, which specifically confirms what the gentleman to whom the hon. Member for Beverley and Holderness (Mr Stuart) refers said, which is that he did not commission illegal investigations into Michael Ashcroft. *[Interruption.]* I have to say to the Prime Minister, who is chuntering from the Front Bench, that we should rely on some of those people because Tom Baldwin's line manager was the current Education Secretary for much of the time in question. He is not in his place today, but for much of the time that the investigation was going on into Lord Ashcroft—remember him?—Tom Baldwin's line manager was the current Education Secretary. I see the Prime Minister is smiling. This issue has been raised a number of times and I have to say to hon. Members, "Remember Lord Ashcroft and his assurances. Remember his assurances about his tax status, which were relied on by the current Foreign Secretary and Prime Minister." I have to say to Conservative Members that if I were them, I would shut up about the allegations regarding Lord Ashcroft.

Several hon. Members *rose—*

Edward Miliband: Who is next, Mr Speaker? I give way to the hon. Gentleman.

John Howell (Henley) (Con): I have been listening to the passion with which the right hon. Gentleman has been making his case, but if that passion for reform really is there, can he tell me why the previous Government did nothing but talk between 2002 and 2007 about reform of the Press Complaints Commission?

Edward Miliband: The hon. Gentleman is completely right that we did not do enough and we should have done more. I am absolutely clear about this. Of course this was a collective failure on both sides of the House—[Hon. Members: "Ah!"] I do not know why hon. Members say, "Ah." I take our responsibility for this—of course that is right. Part of what is required is that we all account for our actions. That is absolutely right.

Several hon. Members *rose—*

Edward Miliband: Will hon. Members give me a moment?

The former Home Secretary, my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), who might talk about this in the debate, did seek to reopen the inquiries both with the police and the Independent Police Complaints Commission, but that did not happen. No one in the House can say that we should not have spoken out earlier.

Several hon. Members *rose—*

Edward Miliband: Who is next? The hon. Member for Mid Norfolk (George Freeman) seems very excited so I will take his intervention.

George Freeman (Mid Norfolk) (Con): The Leader of the Opposition started by striking, as the Prime Minister did earlier, a tone of statesmanlike non-partisanship, and he had the attention of the House. Will he, as the Prime Minister did earlier, acknowledge the sins of his party, as ours, in the past 20 years and give a small apology for the excesses of media manipulation on his side of the House?

Edward Miliband: The hon. Gentleman obviously was not listening to what I was saying in my speech. We need to change—

Keith Vaz (Leicester East) (Lab): Will my right hon. Friend give way?

Edward Miliband: I give way to my distinguished and right hon. Friend the Member for Leicester East (Keith Vaz), the Chair of the Home Affairs Committee.

Keith Vaz: I thank the Leader of the Opposition for that. May I take him back to the beginning of his speech when he talked about faith in institutions? Does he agree that credit should be given to the Metropolitan Police Commissioner, who felt that the issue of leadership was at stake in the Metropolitan police and therefore resigned so that that service could move on? Surely the former Commissioner should be given credit for what he did.

Edward Miliband: I agree. Sir Paul Stephenson acted with great honour in this matter and I am sure that is recognised on both sides of the House.

Ben Gummer (Ipswich) (Con) *rose*—

Edward Miliband: Let me make progress and then I might give way to the hon. Gentleman.

We need to change our press, our police and our politics. First, on the press, the questions we must all ask as we debate this are not just about who acted illegally and when, which is properly a matter for the police investigation. They must get to the bottom of what happened. The inquiry led by Lord Justice Leveson must do its work, but we cannot just ask why it happened—we also need to ask why that culture was so widespread. In my view, the answer is relatively simple.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Will the right hon. Gentleman give way?

Edward Miliband: Perhaps the hon. Gentleman will just listen to my speech for a bit longer.

Some of the institutions involved thought they were above the law and beyond responsibility. A police inquiry and a judge-led inquiry should not be the only way for an ordinary citizen to get effective redress when the press do them wrong. One of the symptoms of what happened is the fact that Press Complaints Commission—the Prime Minister and I both recognise this—was a wholly ineffective body in giving the ordinary citizen redress. I do not want a country where there has to be a police inquiry or judge-led inquiry to give redress to that citizen.

Let me say something about press regulation. Why did the PCC fail? This is important, because the PCC was aware of the allegations that were being made. It failed because it had no powers of investigation, so although it now believes it was lied to, it could do nothing to check the veracity of what it had been told. It failed because despite the evidence of bad practice, nothing was done by an organisation that—let us be candid about this—was not sufficiently independent of current editors.

I do not believe—I echo the words of the Prime Minister on this point—that it should be for politicians to decide what our press reports. That is an important principle of a free society and of our society.

Alun Cairns (Vale of Glamorgan) (Con): Will the right hon. Gentleman give way?

Edward Miliband: I want to make some progress.

It is commonly agreed that we need a new system of regulation. Whether we call it self-regulation or independent regulation, which is a term the Prime Minister coined and that I like, in substance it is about ethics being overseen by an independent group of people who are not current editors, with investigatory powers so that the regulatory body cannot simply be lied to as the PCC says that it was and—this is an important point—with the power to enforce compensation and prominent redress. That point is really important. The standards of accuracy in our press will be much encouraged if there is prominence of apology and admission of error rather than their being buried on page 42, which is what happens.

The issue, which the Prime Minister touched on in his speech, goes beyond press regulation. Indeed, Government Members have asked me about this. Why did not more of us speak out earlier? The answer is what we all know and used to be afraid to say: News International was too powerful. It owned 40% of the newspaper market before the closure of the *News of the World*. It owns two thirds of the pay TV market through 39% of the Sky platform and Sky News. The Communications Act 2003 rightly stops an organisation holding an ITV licence and more than 20% of newspapers, but it does not apply to digital channels. One might say that it was an analogue Act in a digital age. The Act needs to be updated as such a concentration of power is unhealthy. If one thing comes out of what we have seen in the past two weeks and over many years, it must be that we understand the point about concentrations of power in our society because large concentrations of power are more likely to lead to abuses of power.

Charlie Elphicke (Dover) (Con): My concern is that we preserve the freedom of the press. The right hon. Gentleman mentioned News International specifically, but we know that Mirror Group and the *Daily Mail* were equally culpable according to the 2006 report. He talks about the media market, but we know that the BBC has a dominant position. His comments are beginning to look like he is conducting a vendetta against News International when we need to consider the media as a whole.

Edward Miliband: Let me reassure the hon. Gentleman on that point. Of course, the police inquiry and the judge-led inquiry must look across all the newspapers. I want to pick him up on his point about the BBC, however. The BBC is much more tightly bound by public interest guidelines than newspapers. That is right, because there is a distinction—I disagree with the former Labour leader, Lord Kinnock, on this point—between broadcasting and newspapers. I think that distinction is likely to be maintained and I support that. We should be careful, however, about lumping the BBC in with all this because it is in a different category.

Sajid Javid (Bromsgrove) (Con): In yesterday's Committee, Rebekah Brooks said that she had not had a single meeting with the Prime Minister in Downing street but that she had visited the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), six times each year. The Leader of the Opposition was a key member of the previous Government. Did he share his concerns about the power of News International with the former Prime Minister?

Edward Miliband: I do not think that was the most helpful intervention from the point of view of the Prime Minister. The reason Rebekah Brooks was not coming to Downing street was that she was seeing him in Oxfordshire and elsewhere. It is fairly obvious, is it not? I think we should save the Prime Minister embarrassment and move on.

Let me turn to the police. Confidence and respect in policing is vital. Recent events have created a cloud and it is important that the excellent work being done by police officers is not tarnished.

Alec Shelbrooke (Elmet and Rothwell) (Con) *rose—*

Edward Miliband: I will make a little more progress, if the hon. Gentleman will be patient.

The independence and impartiality of the police has been a cornerstone of the force stretching back to Sir Robert Peel. That is why recent events are so disturbing: allegations of payments to police by the press; a culture where it appears the relationship between press and police is too close and information is passed inappropriately; and questions about why the first police investigation failed and why it has taken so long to put things right.

There are now four different investigations considering these issues. That is a good thing and I hope they proceed as speedily as they can given all the inquiries. If they can be co-ordinated or brought together, I am sure that would be a good idea, too. Let me make one observation, though. There are cultural issues that must be looked at in our police. Just like in newspapers, there will always be things that go wrong. The question we must answer for victims such as the Dowlers is whether the right system of redress is in place for the victims and whether they have confidence in it. The situation is similar to that in the PCC and that is why we need a stronger Independent Police Complaints Commission. It is currently a complaints body with limited powers and a huge case load and it clearly has not been able or willing—probably able—to act proactively enough. As well as reforms to our press and to our complaints system for the press, we must also reform the police.

Oliver Heald (North East Hertfordshire) (Con) *rose—*

Edward Miliband: I give way to the hon. Gentleman; he and I are old sparring partners.

Oliver Heald: The Leader of the Opposition rightly talks about the independence of the police, yet he seems to have expected that, during the course of a police inquiry, the assistant commissioner would go and see the Prime Minister and talk about the emerging evidence. It seems, extraordinarily, that the assistant commissioner had a similar expectation. Can the Leader of the Opposition tell us whether that is the way it went on in Labour years? Is that what was happening? If not, will he say now that he thinks the police should be truly independent?

Edward Miliband: This is not about the operational independence of the police and I am surprised that the hon. Gentleman wants to return to these issues because it is the wall of silence that was erected around the Prime Minister that meant that he did not hear the facts about Andy Coulson, which were facts that he should have heard. We need reforms—

Several hon. Members *rose—*

Edward Miliband: I am going to make some more progress, if I may.

We need to reform our press and politics and we need also to reform the dealings between politicians and the press. I welcome the Prime Minister's—

Nadhim Zahawi (Stratford-on-Avon) (Con) *rose—*

Edward Miliband: I think I might get to the point on which the hon. Gentleman wants to intervene, if he gives me a moment.

I welcome the Prime Minister's decision to be more transparent about meetings with executives and editors. I have published all my meetings since I became leader of the Labour party and I say to the Prime Minister that of course I will go back to the general election.

Nadhim Zahawi *rose—*

Edward Miliband: The hon. Gentleman is so over-excited that I feel I must give way to him in case a nasty accident befalls him.

Nadhim Zahawi: I am glad that the right hon. Gentleman will publish all the meetings he had with the media before he became leader, because transparency is the greatest disinfectant. Will he confirm to the House whether, when he was running to lead his party, he met any of the Murdochs or anyone from News International?

Edward Miliband: I did have one lunch with News International and it was profoundly unsuccessful, as people will have gathered. I can be accused of many things, but I do not think that a cosy, sweetheart relationship with *The Sun* newspaper—Red Ed and all that—is one of them.

Several hon. Members *rose—*

Edward Miliband: I am going to make some more progress. I want, if I may, to come back to two or three outstanding issues raised earlier in the statement, because they go to questions of transparency.

Ian Austin (Dudley North) (Lab): On the question of relationships between politicians and the media, what lessons does the Leader of the Opposition think we should draw from the fact that when the Prime Minister published the list of the meetings that he had, 26 were with people from News International, but just one was with a person from the BBC?

Edward Miliband: People will draw their own conclusions, and my hon. Friend has put the point on the record.

I want to deal with two or three important points about transparency. The Prime Minister, in his statement, surprised me by talking about the very important article—I raised it in my statement—that *The New York Times* published on 1 September. He said—of course, the record should be checked on this—that there was no new information in *The New York Times*. I do not believe that to be correct. Indeed, I have *The New York Times* article here; I want to read a brief extract from it:

> "One former editor said Coulson talked freely with colleagues about the dark arts, including hacking. 'I've been to dozens if not hundreds of meetings with Andy' when the subject came up, said the former editor...The editor added that when Coulson would ask where a story came from, editors would reply, 'We've pulled the phone records' or 'I've listened to the phone messages.'"

That goes to a very important issue, because my charge against the Prime Minister is that there was lots of information publicly available. There were warnings from the Deputy Prime Minister, who sat very glumly during the Prime Minister's statement. There were warnings given that the Prime Minister ignored. I will happily give way to the Prime Minister if he wants to correct the record about *The New York Times*, because this was a very serious, major investigation by a global newspaper, and the Prime Minister's comments earlier do not reflect the gravity of the allegations in *The New York Times* article. The Prime Minister seems otherwise engaged.

Several hon. Members *rose—*

Edward Miliband: I want to make some progress. There are unanswered questions about all the allegations, all the credible evidence that was given to the Prime Minister, including in *The New York Times*, and the warnings from the Deputy Prime Minister. I will even give way to the Deputy Prime Minister if he wants to tell us about the warnings that he gave. It would be nice to hear from him, because he has not looked very happy during this debate, and if he wants to share his unhappiness with us, I am sure that we would all love to hear it. He is saving it for his memoirs.

There are unanswered questions about BSkyB. There are real questions about what conversations—important conversations—the Prime Minister had about BSkyB with James Murdoch and Rebekah Brooks; he should have raised that. These questions are not going to go away. They will continue until he answers them.

Today the House rises for more than six weeks for the summer recess. We will debate other issues, and rightly so, but we all have a collective responsibility to ensure that this is not an event where the whirlwind blows through and nothing really changes. We have to bring about lasting change. That is the duty we owe to the victims of phone hacking. It is a duty we owe to the people of this country.

Several hon. Members *rose—*

Mr Speaker: Order. In view of the number of Members seeking to take part in the debate, I have imposed an eight-minute limit on Back-Bench speeches with immediate effect, but I emphasise to the House that that limit is reviewable.

2.43 pm

Mr John Whittingdale (Maldon) (Con): Today's debate is part of a long saga that probably still has some way to go. That saga began, arguably, with the arrest of Clive Goodman, and before that, possibly with the Operation Motorman inquiries to the Information Commissioner, or before that, with the inquiry held by my predecessor as Chairman of the Select Committee on Culture, Media and Sport, the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), in which Rebekah Brooks first spoke about payments to police officers.

The Select Committee spent a long time yesterday taking evidence from Rupert and James Murdoch, and from Rebekah Brooks—something like five hours in total. I apologise to the House for the fact that, unlike the right hon. Member for Leicester East (Keith Vaz)—my colleague who chairs the Home Affairs Committee—we have not yet managed to produce a report. We may well still do so.

Paul Farrelly (Newcastle-under-Lyme) (Lab): We have not produced a report, but we have had some success. Yesterday, as the hon. Gentleman will recall, the Murdochs admitted for the first time that News International was paying the legal fees of the private investigator, Glenn Mulcaire. It is now being reported that that has stopped. Does he agree that that is absolutely right and proper, because one cannot apologise to the Dowler family on the one hand and still pay the fees of the private investigator who hacked their phones on the other?

Mr Whittingdale: I agree with the hon. Gentleman, and I was going to deal with that matter. He is absolutely right to identify it. I thought it important that Rupert and James Murdoch and Rebekah Brooks came to Parliament. We were warned about legal difficulties and their inability to answer questions. I have to say that I think they genuinely tried to prove as helpful as they could be within those constraints, but the important thing is that they, the leaders of the company at the time, came to give an account of that company—in Parliament, in public. That could only have happened in this place, and that is one of the reasons why Select Committees have an important role. I was therefore particularly sad that their appearance was marred by the incident to which Mr Speaker has referred. It did not serve the interests of those who dislike Rupert and James Murdoch; it distracted attention from the very important matters about which we were attempting to probe them, and the fact that they were treated in that way reflected no credit on Parliament or the Committee. The inquiry that Mr Speaker has spoken about is extremely important.

We asked very detailed questions. There are three areas where there are still significant questions to be asked. One, which was raised by a number of my colleagues, is why the payments to Gordon Taylor and Max Clifford were so large, and why subsequent payments to other victims of phone hacking were considerably smaller. The second is on the issue that the hon. Member for Newcastle-under-Lyme (Paul Farrelly) raised: the continuing payment of Glenn Mulcaire's legal fees. I am delighted to hear from the hon. Gentleman that that has now stopped.

The third issue—another one that the hon. Gentleman was very robust in pursuing—concerns the e-mails handed over to the solicitors Harbottle & Lewis for examination, which led to Harbottle & Lewis writing to News International to say that the e-mails contained no evidence that any other person was involved. This morning I received a letter from Harbottle & Lewis, which says that it

"asked News International's solicitors at BCL Burton Copeland whether their client is prepared to waive the confidentiality and legal professional privilege which attaches to their Correspondence".

That request has been refused. I understand that that refusal was made before Rupert and James Murdoch gave evidence to the Committee. I hope that in the light of the assurance that Rupert and James Murdoch gave us of their wish to co-operate as much as possible, the firm will review that decision and perhaps release Harbottle & Lewis from the arrangement, so that we can see the correspondence.

It is not just Harbottle & Lewis; an inquiry was also undertaken by Burton Copeland—we have not seen the outcome—and the inquiry that News International undertook, in which it said it looked at 2,500 e-mails and failed to find any evidence. It would be interesting to learn further details of the rigour of that particular investigation. At the end of the day, it all boils down to whether one believes the evidence given to us. The Select Committee does not have access to e-mails on servers, or to the papers that were seized from Glenn Mulcaire, Jonathan Rees and other people. All we have is the testimony given to us by the witnesses. We certainly tested them yesterday for five hours. I think that testimony is now on the record, and people can judge.

Chris Bryant: I just worry that perhaps the hon. Gentleman is accepting at face value rather too readily what the Murdochs said yesterday in relation to corporate governance. The answer seemed to be that they did not know anything—that the company was too big for them to know about anything that was going on in the *News of the World*. It seems to me that that is a failure of corporate governance in the company, because the whole point of a non-executive director, or a director, is that they have to make sure that they know enough about their company to ensure that there is no criminality and that it always works within the law. The argument that they knew nothing is no defence.

Mr Whittingdale: I agree with the hon. Gentleman. There was undoubtedly a failure of corporate governance, and that may well exercise the minds of the shareholders of News Corp, and perhaps even the American authorities.

Reference has been made to *The New York Times* article, which I remember well. Part of the problem was that the quotation that I think the Leader of the Opposition read out was from an unnamed former editor. Sean Hoare was named. He was the only individual who was. Sadly, the late Sean Hoare was an individual whose testimony some people felt might not be wholly reliable.

Mr Geoffrey Cox (Torridge and West Devon) (Con): Is it not also true that Mr. Hoare was unwilling to back up the allegations that he had made to *The New York Times*?

Mr Whittingdale: I know that it was widely believed that Sean Hoare's testimony would not stand up in court.

I want to raise one other matter that relates to the actions that could have been taken by the previous Government. The one recommendation from the Information Commissioner, right back at the time of the "What price privacy?" report, was that the maximum penalty for breach of the Data Protection Act 1998 should be a custodial sentence. Press freedom is protected because there is a public interest defence in that Act. My understanding is that the right hon. Member for Blackburn (Mr Straw), who was the Home Secretary at the time, accepted that recommendation and it was Government policy to impose a custodial sentence as a maximum sentence, but he was then overruled by the then Prime Minister following pressure from the media.

Mr Jack Straw (Blackburn) (Lab): The answer, which I will explain in more detail if I catch Mr Speaker's eye, is that provisions to do both are on the statute book. They are in section 76 of the Criminal Justice and Immigration Act 2008, and it is a matter for the Government to implement them. It is quite wrong for the Government to assert that we took no action. We did act, consistently, with the Information Commissioner's report.

Mr Whittingdale: I hope that the right hon. Gentleman will elaborate, because he is right to say that the measure is on the statute book, but it would have required a statutory instrument, I think, to implement, and that SI was going to be introduced, but was then dropped following meetings that took place in Downing street between members of the media and the Prime Minister.

The two issues that we are debating this afternoon—freedom of the media and the honesty of the police—are both absolutely fundamental to a free society. Therefore, I welcome the inquiries and the judicial review. I urge a slight note of caution on my right hon. Friend the Prime Minister when he says that he is contemplating whether politicians should be entirely removed from the process of assessing whether newspaper, press or media acquisitions or mergers should take place. There is a public interest test, and it is elected and accountable politicians who, ultimately, should determine the public interest. If politicians are entirely removed from the process, you have people who are unelected and unaccountable, and I am not sure that that is wholly desirable. However, I am sure that that is something that the review will wish to examine in due course.

I would also like to say a brief word in defence of the Press Complaints Commission, which does good work for many individuals who have specific complaints against single reports that have appeared in newspapers. It is a good complaint-handling organisation, but it was never intended to deal with the regular systemic breaches of the code, indeed breaches of the law, that are now being

[Mr Whittingdale]

exposed. However, the fact that it did the job that it was asked to do well does not mean that we do not now need a stronger and more independent regulator, and I do believe that we have reached that time.

Andrew Selous (South West Bedfordshire) (Con): Does my hon. Friend think that it would be helpful, when a newspaper makes an apology, if the apology were on the same page and took up the same amount of space as the original offending article?

Mr Whittingdale: There is a requirement in the Press Complaints Commission code that an adjudication of the PCC should be given due prominence. Three years ago the Select Committee recommended that that meant that it should at the very least be on the same page as the original article, or even earlier in the paper, but certainly not later. So yes, I agree with my hon. Friend.

It is right that we examine these matters, but we need to bear in mind that the media in this country are changing beyond recognition. The power of online distribution of news, which is where the advertising is going and where people wishing to find out the news are going, is changing the media landscape. The truth is that we may not have newspapers for very much longer in this country. Certainly there will be a number of closures because of the dramatic shift, the structural change, taking place in the media. Therefore we need to be careful to ensure that when we set up a regulatory structure, it takes account of the new landscape, not the old.

2.54 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to follow the hon. Member for Maldon (Mr Whittingdale). I congratulate him and his Committee on the excellent work that they have done in their inquiry. I thank you, Mr Speaker, for allowing the House to sit for this extra day, and the Prime Minister for coming to the House and making such a very long statement and answering so many questions.

Yesterday was a good day for Parliament. Along the corridor of the Grimond Room and the Wilson Room, the Select Committees for Culture, Media and Sport and for Home Affairs were simultaneously holding hearings. We in our Committee did not have the drama of the Culture, Media and Sport Committee hearing, and I know that you, Mr Speaker, have instituted a security investigation. Perhaps there were no police officers around because most of them were giving evidence to the Home Affairs Committee. We took evidence from both the former commissioner and the former assistant commissioner, and there were a lot of police officers there.

I pay tribute to the work of my Committee Clerks, and to the Committee. We basically locked the doors in the Grimond Room to ensure that we agreed the report that is before the House today. I will speak only briefly about these issues. The report has 122 paragraphs and it was published at 5 o'clock this morning. But there is an opportunity for those participating in this debate to look at the report's conclusions, which we began as early as last October. I thank members of the Committee, three of whom—the hon. Members for Rochester and Strood (Mark Reckless) and for Northampton North (Michael Ellis), and my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe)— are in the House today, for the work that they have done. Others, I am sure, will come into the debate.

The report's conclusions centre on three areas—first, the police, secondly, the mobile phone companies, and thirdly, we touched on News International, only in respect of its co-operation or lack of co-operation with the police. We found a catalogue of failures by the Metropolitan police. We looked at the first investigation and we took evidence from Mr Clarke, a senior officer, very distinguished in relation to counter-terrorism. But Mr Clarke felt that he could not proceed with his inquiry, the first inquiry—we provided a useful timeline for hon. Members just after the first chapter, which sets out when these inquiries took place—because he felt that he was deliberately thwarted by News International. We took evidence from Mr Hayman, and the report speaks for itself in respect of his cavalier attitude to the Committee, and indeed to his relationship with News International. We questioned the relationship between the police and New International whereby there appeared to be a revolving door. Former senior police officers ended up writing articles in News International titles, and former employees of News International ended up working for the Metropolitan police and advising the commissioner for £1,000 a day.

The second inquiry, we felt, was also very poor. To give him his credit, John Yates was very clear. He used more colourful language when speaking to Sunday newspapers, but we thought that it was a serious misjudgment that on 9 July he spent only eight hours looking at the evidence. He denied that that was a review and said that it was the establishment of facts, but we were clear when we took evidence from Sir Paul Stephenson that no time limit was placed on John Yates. He could have taken longer. Indeed, when we saw the DPP, Keir Starmer, afterwards, he was very clear that John Yates had contacted him after 9 July, because Keir Starmer, in preparing his evidence for the Culture, Media and Sport Committee, had asked John Yates to come and talk to him, with leading counsel, to decide whether there was a case to reopen the matter on 9 July. Sadly, the lack of co-operation from News International continues. As the hon. Member for Maldon has just said, it is refusing to waive client confidentiality, and refusing to allow Harbottle & Lewis to release the exchange of correspondence.

Mr Cox: May I take the right hon. Gentleman back to 2006? Did he find as part of his investigation that the Attorney-General had been informed in 2006—on 30 May, to be precise—that a vast array of numbers had been tapped by investigators employed by News International? The then Attorney-General's approval was sought for a much narrower focused investigation, which plainly, by implication, was given. Is it not clear that Ministers knew in 2006 that there was a great array of tapped phone numbers that could have given rise to a wider investigation, but they never allowed the police, or instructed the police to carry it out?

Keith Vaz: No witness who came before the Committee has said that to us, but I am happy to write to the previous Attorney-General to ask whether in fact he or she—I

have forgotten who it was at the time—was informed. Clearly the Director of Public Prosecutions was informed, and the Attorney-General has superintendence over the DPP.

Mr Cox *rose—*

Keith Vaz: I will not give way a second time, but I am happy to talk to the hon. and learned Gentleman later, or if he catches Mr Speaker's eye he could make his points then. I shall be happy to write to the previous Attorney-General if that helps.

We come to the end of the second police investigation and the failure of the police to inspect the evidence in their possession adequately and thoroughly. The risk was that waiting for a certain length of time with, as Mr Yates described it, bin bags full of evidence, there is the possibility that the Metropolitan police would have disposed of that evidence. Just in time, Operation Weeting was established. We all agreed that Sue Akers gave excellent evidence to the Committee. We want to ensure that she has all the resources she can possibly need. That is one of our recommendations. Although when I last pressed the Prime Minister on the issue, at the Dispatch Box a week ago, he said that he was leaving it up to the Metropolitan police to decide on resources, Sue Akers really does need more resources. There are 12,800 names; she has cleared 170 and is clearing them at the rate of 30 a month. We made a calculation, which is not in the report, that that process could go on for several decades. It will take at least a decade unless we give her the resources that she needs. We have confidence in Sue Akers. We believe that she will complete her investigation properly.

There are many issues in the report, but I want to highlight two relevant points. The first concerns the arguments that went on throughout the whole process between the Director of Public Prosecutions and the police. The hon. Member for Rochester and Strood pursued that issue vigorously with all our witnesses, and I am sure if he catches your eye Mr Speaker, he will be able to enlighten the House on what he and the Committee saw as the problem. Suffice to say that it is not helpful when such things happen. We should like to see the Crown Prosecution Service and the police working closely together.

Mr Graham Stuart: We have heard that there was a culture of too much closeness between those in power and those in News International. Did the Committee hear evidence that a political steer was given to the police to direct them away from investigations? I say that in the light of the fact that Members on the Opposition Front Bench today seem to think it appropriate for the Prime Minister to engage in operational discussions with the police while they are carrying out an inquiry.

Keith Vaz: We heard no such evidence, as the hon. Gentleman can confirm if he reads the report.

My final point is about mobile phone companies. They have a responsibility to inform their customers if they have been hacked. We saw a difference of approach between the big providers; Members may want to check their contracts. Only O2 informed customers when their phones were hacked. The others either did not inform their customers or waited for the police to tell them that the inquiry was over. Their customers remained uninformed about the hacking, which is why there is such a build-up of information.

I agree with what the Prime Minister and the Leader of the Opposition have said today. Our concern is that the victims were not put first. If we had put the victims first in 2006, if Mr Hayman, Mr Clarke and Mr Yates had done that, we would never have got into the position where all the evidence was not thoroughly looked at. I welcome the inquiry and I have no objection to any member of the panel mentioned in the House today. Putting Shami Chakrabarti on the same panel as a former chief constable is a very good idea; it contains a good balance. I hope that recommendations will be made as quickly as possible. I am sure the Prime Minister is the last person in the world to want this to drag on.

The victims want closure. After such a long debate, and such a long statement and endless questions, we all want closure, so the sooner we get the investigations completed the better—but as the Committee says, we must never forget the victims. They are the people who have suffered the most.

3.5 pm

Mr Geoffrey Cox (Torridge and West Devon) (Con): I want to raise three points. Although I congratulate the right hon. Member for Leicester East (Keith Vaz) on his Committee's report, one or two loose ends seem not to have been followed up. On 30 May 2006, a Crown Prosecution file note recorded that the police had written a briefing paper informing the Attorney-General and the then Director of Public Prosecutions that

> "a vast number of unique voicemail numbers belonging to high-profile individuals (politicians, celebrities) have been identified as being accessed without authority. These may be the subject of wider investigation."

In a memorandum dated 8 August 2006, a senior Crown Prosecution Service lawyer wrote:

> "It was recognised early in this case that the investigation was likely to reveal a vast array of offending behaviour."

However, the Crown Prosecution Service and the police concluded that aspects of the investigation could be focused on a discrete area of offending relating to two officials at the palace and the suspects Goodman and Mulcaire.

From those documents, it is absolutely manifest that the Attorney-General in the previous Government, who sits when appropriate in the Cabinet, was informed that there was "a vast array" of offending behaviour in which hundreds of celebrities, Members of the House and of the other place and others had had their phones accessed without authority. Why was nothing done?

The Leader of the Opposition has left the Chamber. Can he or former members of the Cabinet tell us whether the Attorney-General in 2006 brought to the attention of his colleagues the fact that a vast array of offending behaviour had been committed by News International but it was not intended that it be investigated by the police? The Attorney-General has a solemn duty to draw to the attention of the Cabinet such matters if they affect the public interest. The Attorney-General has a right of oversight of the CPS—the ultimate resort—and could at least instruct that advice be given to the police on such matters. Why was nothing done?

[Mr Geoffrey Cox]

I invite the Chairman of the Home Affairs Committee to call for that evidence and to examine it closely, because it seems to me a matter of the most pressing public interest.

Mr Straw: The hon. and learned Gentleman invites members of the then Cabinet at large to say whether the information was ever shared with them by the then Attorney-General. I can only speak for myself. I served in that Cabinet and subsequent ones and on no occasion do I recall that Attorney-General, or any Attorney-General, ever informing members of the Cabinet either at a formal meeting or informally, of an ongoing investigation. Even when I was Home Secretary, the Attorney-General of the day would never have informed me about an investigation and decisions he or she had made, nor would I have sought that information.

Mr Cox: I am grateful to the right hon. Gentleman for that information, but the fact remains that the Attorney-General under the previous Government appears to have countenanced a prosecution strategy when he and the then Director of Public Prosecutions knew that the voicemails of hundreds of individuals had been accessed.

Keith Vaz: I will write to the previous Attorney-General today to ask for that information.

Oliver Heald *rose—*

Mr Cox: I will give way to my hon. Friend.

Oliver Heald: When the former Home Secretary spoke a moment ago, he used the words, "or informally". Does my hon. Friend think that one aspect that may need examining is whether the matter was another subject that fell into the "sofa Government" category, and that the Attorney-General may have spoken to the Prime Minister or one or two others, but it was not brought before the full Cabinet?

Mr Cox: The matter needs to be closely examined, and the Chairman of the Home Affairs Committee has taken it on board. With the greatest respect to the Attorney-General at the time, if he was informed of the matter, he should have interested himself in exactly how the investigation would be conducted. On the face of it, an enormous amount of wrongdoing was simply ignored. The police appear to have proposed a strategy, which would, as the briefing paper put it to the Attorney-General, "ring-fence" Mulcaire and Goodman and exclude a whole raft of serious criminal wrongdoing from investigation. That may well have affected Members.

I do not know to whom the Committee refers when it says that neither Ministers nor the police escalated the matter. As the Committee put it, if Ministers at the time had taken those issues sufficiently seriously, the matter would have been investigated. The truth would have been discovered then and we could have avoided a whole series of events that we now know unfolded.

My second point is about the review suggested by then Deputy Assistant Commissioner Yates. The Home Affairs Committee has rightly judged, in tone and substance, its criticisms of Mr Yates and Mr Hayman. There are serious questions to be asked about why an investigation or a review—I appreciate that it was not a formal review—that was carried out in eight hours apparently failed to read material that, as the former Deputy Director of Public Prosecutions was able to determine in a few minutes, gave rise to the gravest illegalities. On the face of it, that is either wilful blindness or rank incompetence. Whatever the reason, Mr Yates's resignation was right and done for proper reasons. It is inconceivable that, if the exercise had been carried out properly, the material would not have come to light in 2009. Questions arise about the closeness of officers of the Metropolitan police to News International and whether that deflected and deterred them from a rigorous analysis of the evidence that had been in their possession since 2006. It was not only in their possession, but, as the memorandum of 30 May 2006 to the Attorney-General shows, they had discovered that it included

"a vast array of offending behaviour."

Mr James Clappison (Hertsmere) (Con): I do not know many of the details that my hon. and learned Friend has given to the House, but the Select Committee heard that a great deal of the evidence was never examined, either in the original investigation or in the course of the review, so it could not be known what possible criminal behaviour had occurred, in addition to the hundreds and thousands of names involved. The e-mails that my hon. and learned Friend mentioned are slightly different. News International supplied them internally and they had not been held by the police. They were supplied to the solicitors who gave them in May to the former DPP, who quickly saw wrongdoing in them.

Mr Cox: My hon. Friend is right that new material was supplied by Harbottle & Lewis, but I am referring to material that was in the possession of the police in 2006—mobile phone records, about which they told the then Attorney-General, "Look we've got a vast array of offending behaviour here. What are we going to do?" The instruction—or at least the approval—that came from on high appears to have been, "Confine it. Keep out the penumbra of offending behaviour you could examine and confine it to Mulcaire and Goodman." That was wrong. With hindsight, we now see that that judgment was fundamentally flawed. The matter should have been investigated. Why was it not?

One cannot resist the conclusion that, until it became apparent that ordinary members of the public—Milly Dowler, soldiers who fought for this country—had also been subject to hacking, the Labour Government's approach was that politicians and celebrities were fair game, so it was not a serious matter. The Chairman of the Home Affairs Committee reported that Mr Clarke gave as his justification the fact that he did not have many resources and that he was also dealing with terrorism at the time. Frankly, the clear impression is given that the matter was not very serious. One suspects that that is why no action was taken.

It has been suggested that the Prime Minister's chief of staff was wrong to decline an invitation to be briefed in 2010. The surprise is that the offer was ever made, not that it was declined. The chief of staff did exactly the right thing. In 2010, when *The New York Times* published the report, the Prime Minister was right: he needed evidence. He could not act on anything else.

3.16 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): In his speech, the Prime Minister reminded us of his previous incarnation working for ITV. That reminded me of the first broadcasting measure that I considered while in opposition last time round, when the technical director of ITV told us what was happening about convergence. I do not often agree with the hon. Member for Stone (Mr Cash) but I support his early-day motion, which I willingly signed because it is important to deal with the issue on a multi-media basis. The world in which we live—indeed, the world in which we lived in the early 1990s, though no Member of Parliament had adequately recognised what was happening—means that the nature of our relationship with broadcasters and the providers of other media outlets has fundamentally changed. That is a hugely important aspect, on which the House needs to reflect.

A couple of issues have cropped up that, I think as a result of that observation, are increasingly important. We need to ensure that during the inquiry, all records, particularly electronic records, are made available at all stages. I was disappointed to hear, in a response earlier, that Harbottle & Lewis have not been given freedom by News International to release documents that have come their way. Putting restrictions on Harbottle & Lewis undermines the credibility of the apology given by News International. I urge my colleagues in the Culture, Media and Sport Committee and the Home Affairs Committee to keep on pressing that one, and push News International to change its position.

I want to focus my remarks on the technical issues of hacking. When, on 6 September 2010, my hon. Friend the Member for West Bromwich East (Mr Watson) was granted an urgent question,

> "To ask the Secretary of State for the Home Department if she will make a statement on the Metropolitan police investigation into phone hacking by the *News of the World* newspaper."—[*Official Report*, 6 September 2010; Vol. 515, c. 23.],

a very productive exchange took place. After the Home Secretary's response, my hon. Friend, responding to three claims, corrected the Home Secretary's understanding. Claim No. 1 was that there was no new evidence; there was. Claim No. 2 was that people were cleared by the Culture, Media and Sport Committee; they were not. Claim No. 3 was that a single, rogue reporter was responsible; clearly he was not. That was known in September 2010 and that knowledge has developed since.

In questions following the statement I asked the Home Secretary whether she had any knowledge of how many of the—at that stage 91—PIN numbers that had got into the public domain were default numbers and how many were obtained as a result of what, technically, I would call a hacking exercise as distinct from an invasion of privacy, but the answer was not forthcoming. At that time alarm bells should have rung, because the Home Secretary, and certainly her advisers, must have been aware that there were not 91 default PIN numbers available; only a handful of default numbers were used, one each by the major operators and perhaps a couple more in special account situations. At that stage it was clear that a substantial number had been hacked by sophisticated means, not just by knowledge of default numbers.

We knew at that time, from a response given to my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), the previous Home Secretary, that nearly 3,000 people were on the list of possible hacked victims. We hear that the figure is now 12,800. A substantial number of those operations have clearly been undertaken by extremely sophisticated means, and the seriousness of that point is that it brings us back to several fundamental questions.

First, and very obviously, where did the phone numbers come from? A lot of colleagues who might be victims give their phone numbers out willy-nilly; more fool all of us for being so publicity-hungry. Perhaps we too readily give out our mobile numbers, but an awful lot of people, like the Dowler family, or victims of the 7/7 bombings and other potential victims, have had their basic telephone number—not a PIN number—released by a third party. There is a very serious point, which goes to the heart of part of the investigation—to what extent should we look at the role of the police in releasing those numbers? Some numbers were accessed by using published numbers plus the default system, some were technically hacked at a very sophisticated level, and some must have come from the police.

Mr Whittingdale: In the report that the Culture, Media and Sport Committee released, there is a transcript of a conversation that took place between Glenn Mulcaire and the mobile operators, which shows that force is not used; it is blagging, where investigators pass themselves off as someone else and get the mobile company to reveal the PIN number. Obviously, we need to address that problem with the mobile companies.

Andrew Miller: The hon. Gentleman is right, because the fourth strand is indeed the way in which the mobile companies operate security. He attended a demonstration that I staged recently on one use of malware. We have a lot to learn in this place, and it is incumbent on us to look at all four strands as part of these inquiries and ensure that we are better informed, to ensure that when we consider legislation in future, we get to the bottom of these extremely serious issues.

My hon. Friend the Member for West Bromwich East has, by his persistence, done not just the House a favour, but the country. He and I have had disagreements on how technical legislation ought to be formed, but this is one matter on which the House can unite. We should ensure that every strand of inquiry is properly undertaken, and that the subsequent legislation, which will undoubtedly be necessary, covers all those points.

3.25 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): My Liberal Democrat colleagues and I are very grateful that Mr Speaker has given us the opportunity of these debates. I follow the hon. Member for Ellesmere Port and Neston (Andrew Miller) in saying that I understand exactly the arguments for proper technical investigation.

The House knows that on at least two occasions, and by two different newspaper organisations, I was the subject of the illegal acquisition of information. The second time, my phone was hacked. I was one of the people who gave evidence in the trial that led to the conviction and imprisonment of Mr Mulcaire and Mr Goodman,

[Simon Hughes]

but I hope that nothing I say today is prejudiced by vengefulness. I have a view, and have always had a view, that the issue is not about us—the hon. Member for Rhondda (Chris Bryant) and I have often made the point that we can easily defend ourselves—but about our constituents, friends and families, and the people who left and received the messages. We now discover that it is also about ordinary people who were not just in the public eye, but at their most vulnerable and in their time of greatest need, when they least deserved to have their privacy invaded in the most gratuitous and offensive way.

Sammy Wilson (East Antrim) (DUP): Will the right hon. Gentleman give way?

Simon Hughes: In a second—I shall continue, if I may.

I welcome what the Prime Minister said about the inquiry being extended to all police forces and not just the Metropolitan police, and to all forms of media. I am clear that it should also include looking at appropriate Cabinet papers—I hope that the appropriate releases will be made—party papers, and papers held by previous Ministers in all Administrations. Why? The Prime Minister said that, "There are issues of excessive closeness to media groups and media owners where both Labour and Conservatives have to make a fresh start", but my Liberal Democrat Friends and others feel that there are not just "issues", but evidence of dangerous and unhealthy "closeness" in Administrations for at least the past 20 years. Colleagues in both Houses—I am not claiming this for myself—have made that point at every available opportunity. All Liberal Democrat party leaders of the past 20 years, from Lord Ashdown, my right hon. Friend the Member for Ross, Skye and Lochaber (Mr Kennedy) and my right hon. and learned Friend the Member for North East Fife (Sir Menzies Campbell), to my right hon. Friend the Deputy Prime Minister, have made that point continuously with other colleagues, on the record, for the past 20 years.

Tom Brake (Carshalton and Wallington) (LD): Does my right hon. Friend agree that sometimes, that closeness might have led Governments to take policy decisions that they would not have taken otherwise?

Simon Hughes: My right hon. Friend is right, and there is clear evidence for that, and I can perhaps use his intervention to elaborate.

The Competition Bill that was introduced by the Labour Government in 1997 dealt with predatory pricing, including among petrol retailers and supermarkets. My colleagues in the other place, led by Lord McNally, who is now a Justice Minister, managed to pass an amendment that would have included newspapers. The amendment was taken out by the Labour Government—although there were some Labour rebels—when the Bill returned to the Commons. It was absolutely clear that the Labour Government did not want to touch the media empires when they were imposing a tougher competitive regime on other sectors of British industry. I am very clear that that relates to the obvious and evidenced relationships that started under the Thatcher and Major Administrations and continued under the Blair and Brown Administrations. Obviously, such relationships also continued into the beginning of this Government as far as the Conservative party is concerned.

My colleagues and I were clear about that and we tried to do something about it. Lord Taylor of Goss Moor tried to deal with the competitive pricing issue in the House of Commons, and in 1998, Lord McNally said very clearly:

> "Concentration of power, married with the advance in technologies, offers a challenge to democratic governments and free societies which we have scarcely begun to address."

How right he was. Those debates also went to the dominance of particular newspaper titles and the influence of their owners, particularly in relation to the Murdoch empire.

Mr Graham Stuart: I agree absolutely with the right hon. Gentleman about ensuring that we have a suitable spread of media ownership so that we do not have a concentration of power, but does he agree that a concentration of media power in no way excuses the powerful from exercising their own moral sense and making the right decisions? The idea that a public inquiry might have been put off because of party interest, rather than the national interest, is nothing short of disgraceful, if true.

Simon Hughes: I absolutely agree. The speech that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) made in the other day's debate was not at all persuasive about that point. There were calls for a judicial inquiry from my right hon. Friend the Member for Eastleigh (Chris Huhne), my hon. Friend the Member for Torbay (Mr Sanders) and others. That was on the previous Government's agenda, so it could have been held, just as legislation could have been implemented following the Information Commissioner's report and recommendations. However, we had neither an inquiry nor the implementation of higher penalties.

Clive Efford (Eltham) (Lab): Will the right hon. Gentleman give way?

Simon Hughes: I will not, because I want to make some progress, but if I have any spare time, of course I will.

We gave warnings from 2009 that the fit and proper person test needed to be applied more robustly and that we needed to be aware of the abuse of positions. I just record that right up to last year's general election, and indeed to December 2010, my right hon. Friends the Deputy Prime Minister and for Twickenham (Vince Cable) assiduously made the case that there was something very rotten in the way in which we regulated the media industry.

The warnings from our party about Andy Coulson started in May 2009. They were made on record and off the record. We regret that they were not heeded, but the decision was not for us, but for the Prime Minister, and he explained it today. As a postscript, however, let me say that from all that I know, have read and have heard, Ed Llewellyn's role has been entirely beyond reproach throughout. I do not think that anything that he did or did not do can be regarded as inappropriate in the context of the investigations.

Duncan Hames (Chippenham) (LD): My right hon. Friend says that the fit and proper person test needs to be applied more robustly. Is he aware of any statements from Ofcom that suggest that it has sought to apply the test at any time and that it has issued a judgment in such a case?

Simon Hughes: I wanted to make some comments about where we should go, so let me start with the media and Ofcom. The existing legislation needs to be improved because the way in which a fit and proper person test—either corporate or individual—is formed is not clear, so it is difficult to apply. My hon. Friend asks me whether the test is assiduously applied over the period for which a licence is held. In theory it is, because Ofcom will say that it does that, but it is not obvious that there is a process of regular review. In addition, things can change, such as if people commit criminal offences, so we need a more transparent process.

Damian Collins (Folkestone and Hythe) (Con): Will the right hon. Gentleman give way?

Simon Hughes: I will see if I have time, but I want to set out what needs to be done.

We need to look again at the question of excessive market share, and we need separately to consider broadcasting, television, the new media and the written press. We must be absolutely clear that that does not mean that we should be hostile to international ownership —that would be an inappropriate and nationalistic view— but the same rules should apply to elements of the press whether they are domestically or internationally owned.

We need to be absolutely clear that the media must put their house in order—the Attorney-General recently had to intervene on such a matter—by stopping any reporting that presumes that people are guilty when that has not been proved. That applies to all of us—I have tried to be careful about such issues—whether in the political context or otherwise. There have been scandalous examples of people being presumed guilty before the courts have considered their case. In addition, as has been said, there is no proper complaint process with a right of reply. It is imperative that any withdrawal is published by the press in the same size and place as the inappropriate allegation.

As my hon. Friend the Member for Bristol West (Stephen Williams) argued, I hope that the Government will review their future advertising policy. Whoever is in government should not place adverts with media outlets that have been found to be guilty of offences, or breaches of codes of conduct, because that would be entirely inconsistent.

Finally, as my hon. Friend the Member for Torbay said in the Select Committee on Culture, Media and Sport yesterday, we must get to the bottom of the term, "wilful blindness". The evidence that we heard yesterday, as has been argued, suggested that the people at the top were saying, "I knew nothing" and were not even asking about what was going on further down the chain. That is unacceptable. Chief executives, chairmen and executive directors have responsibility and they should exercise it.

As my hon. Friend the Member for Wells (Tessa Munt) has argued, we must end windfall payments, bonuses and pay-offs when people leave the service because they have broken the rules. We must end the way in which the police tip the media off about arrests so that the media turn up to film them or photograph them. We must make sure that the police do not brief people so that individuals who have not been proved guilty are in the headlines as if they were. We clearly need a better complaints procedure. The police service, not just the Met, must have much better corporate responsibility.

3.35 pm

Mr Jack Straw (Blackburn) (Lab): I want to deal with three issues, the first of which is the Prime Minister's opaque answers to the very straight question about whether in the course of his 26 meetings with representatives of News International the BSkyB bid was discussed.

The Prime Minister is trying, understandably, to develop a reputation for straight dealing, but I am afraid that that was not what we saw. He was all over the place, relying on suggestion. In one answer, he said that he had not acted outside the ministerial code—that was not the question. In another, he relied on an answer given by Rebekah Brooks. The answer to that question is very straightforward—it is either yes or no—and I hope that the Minister will provide it when he winds up the debate.

Secondly, I want to consider what followed the Information Commissioner's report on breaches of data protection rules in 2006. It is incorrect to state, as the Conservative research department did in its briefing this morning, that we took no action. It is important that the House understands that we did take action, as we agreed with the report, and in the Criminal Justice and Immigration Act 2008 we introduced powers to increase the penalties for a breach of section 55 of the Data Protection Act 1998 from a fine to up to two years' imprisonment on indictment. There was a substantial objection to that provision from the media, who said that there was no proper public interest defence. Above all, may I tell the Conservatives, particularly the briefers in their research department, that a powerful objection was expressed by Members on the Conservative Front Bench? The hon. and learned Member for Harborough (Mr Garnier), said in Committee:

> "The facts and arguments that I have presented to the Committee suggested that existing penalties"—

which, as I said, were a fine only—

> "are more than sufficient to deal with offences under section 55."—[*Official Report, Criminal Justice and Immigration Public Bill Committee*, 27 November 2007; c. 585.]

I hope that we hear no more from Government Members suggesting that we did not take action.

There was then a negotiation between the Information Commissioner, media representatives and me. We tabled new provisions that provided for the public interest defence, entirely correctly, and we provided new penalties of imprisonment under section 76 of the 2008 Act, to be imposed by affirmative order. I consulted on that towards the end of the previous Parliament. We lost the election, and the duty to consider the consultations and make decisions fell to my successors. I assume that the consultations have concluded—if not, they should be concluded immediately—and the Secretary of State for Justice should come to the House to bring both parts of that provision into force.

Mr Whittingdale: I do not answer for those on the Conservative Front Bench, but I can tell the right hon. Gentleman that the Select Committee on Culture, Media and Sport called unanimously for the Information Commissioner's recommendation to be implemented. We welcome the fact that the Ministry of Justice has issued a consultation paper, but it is still my understanding that representatives of *The Daily Telegraph*, the *Daily Mail* and News International went to meet the Prime Minister to argue forcefully that that consultation should be dropped and that custodial sentences should not be imposed.

Mr Straw: If the hon. Gentleman is referring to the previous Administration, what he says is exactly correct. It is certainly true that representatives went to see the Prime Minister. They also came to see me. I had a discussion with them—they were entitled to their view—and I said, "We will have a public interest defence, but we will also have this increase in penalties to two years' imprisonment on the statute book," and both happened. It is there on the face of the Act. I would have introduced—

Mr Whittingdale: Why was it not implemented?

Mr Straw: It was not implemented at the time because we were required by the provisions which the Conservatives were desperate for—they would have done nothing. It was in the face of not only press opposition but Conservative opposition that I moved in the way I did to consider the matter. Both provisions went on the statute book, and both are there. I would have introduced both of them, had we won the election. Sadly, for this and other reasons, we failed to do so. It is up to my successor to follow that up.

Simon Hughes: My understanding is that the consultation ended in January 2010. The measure could have been implemented before the general election.

Mr Straw: In practice, in those circumstances, it probably could not have done. My only regret is that I listened too much to the Conservative Opposition. It is not a mistake I will make again.

On press regulation, I listened carefully to what the Prime Minister had to say. His formulation of independent regulation is a sensible one, if I may say so. As I wrote in an article in *The Times* on Monday, which was a synopsis of a lecture I gave last week, it is important that we do not frame the debate about press regulation in terms of four legs good, two legs bad, so to speak—between self-regulation, which is apparently good, and imposed regulation, which is apparently bad. We must have a balance between the two.

The press will always be subject to the general law—the law of defamation, the law of copyright, and the emerging law of privacy. That is entirely correct. It is also the case that there should be a high degree of self-regulation, but self-regulation, as we now know, cannot operate by itself because ultimately self-regulation is self-serving. The best proof of the failure of self-regulation is the fact that the Express newspaper group withdrew altogether from the Press Complaints Commission structure in January this year, rendering any possibility of sanction by the PCC nugatory.

So there has to be a statutory framework, but I suggest that that statutory framework can strengthen the freedom of the press if it is properly imposed. An independent press commission should be established, which should have a duty to protect and enhance the freedom of the press, as well as to protect the rights of individuals, particularly in respect of their privacy.

The membership of that body should not be appointed by Ministers or by Parliament. Instead, what should be established by law is an appointing committee at arm's length from both that, in turn, on a formula, would appoint the independent members of that committee, and the majority of those members ought to be independent, not media representatives. As we have heard, the powers of that commission should include powers of investigation, powers to require a retraction and, in extremis, powers of financial penalty.

I profoundly disagree with my right hon. and noble Friend Lord Kinnock. There is not a parallel here between the broadcast media and the print media. That is a profound error. The broadcast media have to be statutorily regulated—apart from anything else, there is a shortage of spectrum and a high value on it. Of course, it has to be regulated, and in our culture, that regulation is subject to a requirement of balance. However, it would be antithetical to a democratic society to place a requirement of balance on the print media. Doing so, in turn, would also require newspapers to be licensed, which would be anathema.

Instead, we need the commission to establish these high standards. The Government should do what neither the Labour Government nor previous Governments going back more than 40 years did: follow the recommendations of the Younger commission and the late Sir David Calcutt's committee in 1991 and put in place a tort of infringement of privacy, in addition to the development of a privacy law under the Human Rights Act 1998. Many will think that a slightly technical point, but it is of great importance. Each of us as citizens has direct rights if we are defamed or if our intellectual property rights to what we write are transgressed, but we do not have direct rights if our privacy is invaded. We should. The reforms that I have suggested, which I think can command support across the House—by the way, I am glad that the Press Complaints Commission said in *The Times* yesterday that it supports them too—could provide a basis for this House to make strong recommendations to Lord Leveson's inquiry about the way forward.

3.46 pm

Mr James Clappison (Hertsmere) (Con): I served on the Home Affairs Committee inquiry into this matter. I came to the inquiry straightforwardly; I had no previous involvement or personal interest in it. I heard the evidence given to the Committee and shared the conclusions that it came to and which I felt were justified by the evidence. I say with sadness that I am not satisfied with all the evidence that we heard from the police. I say that with sadness as somebody who has the greatest respect for the police. I do not believe that any taint has been put on the integrity of Sir Paul Stephenson or on the thousands of Metropolitan police officers who serve on the force, many of whom live in my constituency. However, questions remain unanswered about the conduct of the investigation, including the original investigation, which, as we now know, seems to have had catastrophic effects on the reputation of the police and, as we now know, on many individuals.

I heard the contribution from my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) and agreed with many of the questions that came to his mind. As he said—and this was the evidence that the Committee heard—a considerable amount of material was seized from Mulcaire and Goodman, but the police did not properly pursue investigations with the material that they had. Indeed, some of the large quantities of material was not investigated or read at all, it would appear. Nor did the police look for further potentially relevant material in the normal way by searching premises, seizing documents and interviewing people. We now know that such material might have been at hand because we heard the evidence from the former Director of Public Prosecutions—as it happens, he now works for News International as its counsel—who, when asked to advise on this matter, saw some of the material that had been in the hands of News International and after brief consideration advised that it contained criminal matters that had to be referred to the police. I think that that was in May 2011—that is what the chronology suggests—not in 2005-06 when the matter first came to light.

Mr Cox: I am grateful for what my hon. Friend has said. I can show him the evidence if he wants. On 30 May 2006, the Attorney-General and the DPP were informed that there was a vast array of offending behaviour and that a vast number of telephone numbers in the possession of the police had been accessed without authority. However, there was a conscious decision to confine the investigation, even though they knew that hundreds of people, including Members of the House, had had their phones tapped.

Mr Clappison: I have to say, having heard the evidence, that the answer to my hon. and learned Friend's point remains hanging in the wind. I am not satisfied with the explanations that we have heard, which will appear in the evidence that will be published by the Home Affairs Committee. One explanation that was given by a senior investigating officer in the case was that the police had other priorities, and this matter was not regarded as sufficiently important when set beside them. We have to accept that police resources are limited and the police have to determine their priorities, but their credibility on the matter is not assisted by what the senior investigating officer of the case wrote about it—incidentally, in a News International newspaper of which he had subsequently become an employee. I am referring to Mr Hayman, who said:

> "In the original inquiry, my heart sank when I was told the accusations came from the Palace. This was not the time for a half-hearted investigation—we put our best detectives on the case and left no stone unturned as officials breathed down our neck."

I believe that was inconsistent with the evidence that we heard from the police about the priorities that they set themselves at the time. That is the honest conclusion that I have come to on the basis of that evidence.

The Committee has gone as far as it can. I believe we have gone to the limits of what a Select Committee can achieve in carrying out an investigation. These questions now remain to be resolved by others in the course of the Leveson inquiry, which my right hon. Friend the Prime Minister has rightly set up, and further criminal investigations must go forward under the direction of Sue Akers in Operation Weeting. In view of the evidence that we have now heard from the former DPP and others, I will not be surprised if evidence is uncovered of further phone tapping, further payments to officers and, I am afraid, possibly other offences involving the corruption of police officers. I hope that that is not the case, but the important thing for the reputation of the police, the good reputation of many honest officers and the public interest is that these matters are now fully investigated impartially and independently, and that those investigations are carried through to their conclusion.

We have heard a great deal about the press. One catastrophic effect of the original failed investigation, along with the failed review carried out by Mr Yates in 2006, was that senior police officers went to see representatives of *The Guardian*, which had been carrying out an investigation, effectively to try to put them off further investigations by persuading them that their investigation, which was based upon matters that were seeping out through the civil courts, was exaggerated and unjustified. It is to the credit of *The Guardian*, and particularly its journalist Nick Davies, that it persisted with the investigation. I say that as somebody who is no great sympathiser with *The Guardian*—I do not expect to receive an invitation to lunch there any time soon, and I do not know the people concerned. However, that was to their credit, and it was an illustration of the value of a free press.

That brings me to my next point. It is very important to keep the criminal side of this separate from the issues that arise in respect of the regulation and ownership of a diverse, free and robust press. The matters that we have been talking about are criminal matters, not just matters of comment or of insufficient comeback from the Press Complaints Commission. They are serious criminal matters involving a wide range of people—politicians, celebrities and, as we have heard, many ordinary members of the public often in tragic circumstances. Each case has to be properly investigated, and anybody who has committed offences has to be brought to justice.

Oliver Heald: Does my hon. Friend agree that we must not forget that there is a presumption of innocence right at the core of our criminal justice system? It is all very well for us to debate matters and examine what speculation there is, but people are entitled to a fair trial in our country.

Mr Clappison: My hon. Friend is right, and that is why I have been very careful to refer to investigations that should take place, and which we now believe are taking place. We should not do anything that will either interfere with the proper course of those investigations or prejudice a fair trial for anybody who is brought to trial as a result of them. However, the question of a free and robust press is separate from that. An under-reaction would not be in the public interest, but neither would an overreaction, would could even be more damaging. We need a diverse, free and robust press that is unmuzzled.

Too great a concentration of broadcasting, which is so important, in one set of hands can be against the public interest. I heard what my right hon. Friend the Prime Minister said in his statement, and I agree completely with him. He made some very valuable contributions, particularly when he referred to the position of the BBC, which is a sensitive matter. I feel—I suppose I

[Mr Clappison]

would, as a Conservative—that there has at times been a certain amount of bias, or a predisposition, in the editorial line of the BBC, and that certain matters that should have been investigated or highlighted have not been given proper attention. It is to the credit of the BBC that its present director-general has said that, looking back, the BBC did not do full justice to the issue of immigration.

Damian Collins: Does my hon. Friend agree that, as television moves to a single digital platform, having a strong ITV and a strong Sky will provide a good counterweight to the BBC and give consumers more choice?

Mr Clappison: My hon. Friend is right, and this is particularly true in the case of immigration. It is now accepted on all sides—including by the Leader of the Opposition and some of those who advise him—that proper immigration control is a matter of the greatest public importance, but it has not been sufficiently highlighted in the past. It is not the broadcasters but parts of the print press that have reflected public concern on that issue. The broadcasters were prepared to leave it alone, but some newspapers have had the courage to highlight the issue and reflect the public concern that is felt in many places.

I should like briefly to give the House a further example of an issue that is of huge interest to our constituents and of huge importance to the future of our country, but that is not dealt with properly by the BBC—namely, this country's relationship with the European Union. The BBC's coverage of the treaty of Lisbon and the debates on that matter in the House of Commons was pitiful. It pays no attention to many of our debates on European matters, and there seems to be a predisposition on the part of the BBC when it comes to matters relating to the European Union.

We must not merge the issues of the criminal conduct that has taken place with those relating to the freedom of the press. We need a free, robust and diverse press that can properly reflect the full range of opinions in this country, not just those that are predetermined by the BBC or by the narrow group of people who form the metropolitan elite and who fail to reflect the views of the overwhelming majority. My right hon. Friend the Prime Minister spoke for the country today on this subject. His reputation remains completely intact as a result of all this, and he has taken exactly the right approach to the investigations that he has set in hand and to the question of media ownership. I unreservedly commend his approach on those matters.

3.57 pm

Chris Bryant (Rhondda) (Lab): During the Prime Minister's statement, several hon. Members, especially those seated on the Government Benches, asked whether this really matters. Let us face it, there are many other issues that are probably far more pressing and significant to our constituents, including jobs, the economy and the state of the national health service. For some, I admit, that list might also include Europe, although in my experience, Europe tends to be a long way down the list of things that really matter to my constituents. Crime is normally at the top. However, the tendency to downplay this issue over the past few years has fed into the cover-up that was originally done by News International, and that was a mistake. I fully understand why it has happened on occasion. Boris Johnson was very foolish to say that this was

"a load of codswallop cooked up by the Labour party"

for party political gain.

In the end, we have seen the two most senior police officers in this country lose their jobs—one of whom, I think, was falling not on his own sword but on the Prime Minister's. We have also seen some very senior journalists and company executives lose their jobs, and serious questions have been asked about the way in which the police operate. This has called into question the integrity of the police, which in turn strikes at something that really matters to our constituents.

Earlier in the year, the hon. Member for Hertsmere (Mr Clappison) was a little more sceptical about much of this, when he was questioning me and others about it. However, I think that he has seen, over the past few months, that the evidence from senior officers such as Assistant Commissioner Yates has been risible, and has not met the standards that we expect of a senior police officer in charge of counter-terrorism. I had never meet Andy Hayman until I saw him in the Home Affairs Committee the other day, and, frankly, I was shocked that someone of that calibre—or rather, lack of calibre—was in charge of counter-terrorism in this country. The heart of this matter is therefore probably not the original criminality, which undoubtedly was extensive but was in one sense relatively minor, in terms of the criminal law; far more significant is the cover-up that has taken place. I very much hope that people will not feel from yesterday afternoon that we have got to the bottom of what went on at News International.

Let us be clear about what happened. In the criminal case that was brought against Goodman and Mulcaire, both pleaded guilty. We already know that Mulcaire's fees were paid by News International, even though he was not a full-time employee of the organisation. I presume that Clive Goodman's legal fees were also met by News International, and that it encouraged them to plead guilty because it did not want this to go to full trial. It did not want all the evidence to come out into the public domain, because then, what the judge said at the end of the process might have been proved: that this was probably just the tip of a very large iceberg, and it certainly did not want the rest of the iceberg to be seen.

The reason why News International continued to pay Glenn Mulcaire's legal fees, until this afternoon, as I understand it—I thought it was bizarre that James Murdoch still did not know whether it was paying them yesterday; anyway, today he said that it is not paying them any more—was that it wanted to keep control of the case and to make sure that he did not say anything additional that further incriminated other people at the newspaper, or in the wider company.

When the civil cases were brought, there was the next part of the cover-up. News International would have had to provide full disclosure of all the e-mails, all the transactions within the organisation and the whole way in which the scheme was put together whereby Mr Mulcaire engaged in all this activity. I believe that News International was absolutely desperate to make sure that that never

came into the public domain, so the most important thing for it to do was to make sure that that never went to trial.

Yesterday afternoon, James Murdoch said that his lawyers had advised him at the time that they had to offer £700,000 to Gordon Taylor—I repeat, £700,000—because they were advised by their lawyers that if the matter went to litigation and the court found against them, they might have to pay £250,000 in damages, and in addition, they would have the costs of having run the case. However, James Murdoch must surely know—unless he is using really bad lawyers—of the part 36 procedure. Under it, when an offer is made—of £200,000, let us say—it is put into court and if the court itself does not offer more, the claimant has to pay the legal costs subsequently incurred, which in this case would have been the greater part of £500,000. I am afraid that Mr James Murdoch yesterday was either extremely poorly briefed on the legal situation, or, frankly, he was still dissembling. I believe that in practice, what they were doing was paying £700,000 to Gordon Taylor—and also to Max Clifford—expressly to maintain the cover-up.

Helen Goodman (Bishop Auckland) (Lab): I do not know whether my hon. Friend noticed that James Murdoch used in his evidence a very ambivalent phrase that has a particular meaning in law and another in common parlance:

> "Subsequent to our discovery of that information in one of the civil trials".

That reinforces exactly the point my hon. Friend is making.

Chris Bryant: Absolutely.

Then there were the subsequent civil cases, which could only be brought once *The Guardian* had run its story suggesting that there were many more victims of phone hacking. Some people started writing in to the Metropolitan police and then suing the police to force them to give them the information, so that they could then take action against News International and get full disclosure from it. It is only as a result of those cases that the cover-up has effectively been smashed apart.

There remains this issue of the material that was gathered and put into a file in 2007, including various e-mails and other pieces of paper, and given to Harbottle & Lewis. Only this year, it was shown to the former Director of Public Prosecutions, Lord Macdonald, who said that, within three minutes of looking at it, he could see that there was material relating to the payment of police officers that should always have been given to the Metropolitan police. That seems to me a far greater criminal offence than the original criminal offence of phone hacking. That is why my concern is about the cover-up at the heart of this.

Yesterday, Rupert Murdoch was asked whether he was responsible and he said, "No," but I am afraid that in this country we have to have a much stronger concept of responsibility. It is not just about whether something happens on one's watch—that is ludicrously broad. If someone has taken all due diligence steps to try to ensure that criminality has not happened, then of course they are not personally responsible. But if someone's argument is, "Our company is so big that I could not possibly be expected to know whether my journalists were being arrested for criminal activity or whether I was paying out £2 million in hush money," one must question whether they have a proper corporate governance structure or system in place to make sure that the same thing does not happen again next year or next week—or even that it is not happening now.

Bob Stewart (Beckenham) (Con): This is the difference between responsibility and fault. Rupert Murdoch was responsible for what happened in his corporation, but he may not have been at fault for what happened. However, that responsibility includes the real responsibility for checking that things were done properly. I think I support what the hon. Gentleman is saying.

Chris Bryant: I am very grateful to the hon. Gentleman, whom—this will ruin his career—I think of as a friend. He knows that if the colonel of a regiment had not done everything in his power to make sure that his privates understood the law on how somebody in Abu Ghraib was dealt with, for example, that colonel would be negligent and therefore, in part, responsible for that.

Naomi Long (Belfast East) (Alliance): Did the hon. Gentleman share my incredulity about the attempts that were made yesterday when evidence was being given to play down the importance of the *News of the World* to the Murdoch empire? It may have been a small proportion of the overall empire, but I understand that it was the title with the largest circulation.

Chris Bryant: Indeed. In the end, if News Corp cannot provide better corporate governance, it needs to be split apart so that investors can have confidence in it and so that other, non-executive, members of the board can have confidence that they are not going to be held responsible in law for the failures of their company.

I agree wholeheartedly with all those who said that we do not want to muzzle the press. A very good point was made about Nick Davies, whose work in *The Guardian* has been a phenomenal piece of investigative journalism. This country is undoubtedly better because of that quality journalism. I am sure that there are times when such people have to skirt around the edges of legality but that does not mean they should do illegal things, especially given that half the time all they are looking for is minor tittle-tattle that is of no significance to the nation.

Many other issues need to be dealt with, but the final issue I shall raise today is about the 3,800 victims who have to be contacted. That is going to cost the taxpayer a fortune and I believe that News International should be paying the bill.

4.8 pm

Damian Collins (Folkestone and Hythe) (Con): It is a pleasure to follow the very thoughtful speech of the hon. Member for Rhondda (Chris Bryant) about the phone hacking scandal and the work he has done. I know that he took a strong interest in our Select Committee hearing yesterday.

Although he is not in his place, I also want to thank my hon. Friend the Member for Maldon (Mr Whittingdale), the Chairman of the Committee, for the great skill and care he showed in chairing yesterday's very challenging Committee meeting. I thank also the Clerks of the Committee, who have done a huge amount of work in the past couple of weeks in preparation for that meeting.

[Damian Collins]

The Prime Minister mentioned FIFA reform as an example of a story that has been generated by challenges to that organisation that have been made by the media and others outside it. I have taken a huge interest in that story, and I think it is absolutely right external pressure has been put on an organisation that would not otherwise reform itself. It does not have any kind of proper internal governance structure or other means for reporting and holding to account senior people within it. Although we might admire the kind of journalism that points the finger at organisations such as FIFA, media organisations have to learn from some of the internal governance structures and faults within such organisations. I wholeheartedly agree with the hon. Member for Rhondda that it is not acceptable to have a situation in which, when wrongdoing is discovered, proprietors can say that they had no idea what had been going on at one level, and neither did the relevant person in the newsroom. If we believe what we were told by Rebekah Brooks in the Committee yesterday, stories were going into the *News of the World* without the editor, the news editor or that newspaper's lawyers having full knowledge of their source. That is clearly not acceptable.

It is also unacceptable, when an organisation's employees are under police investigation, when some are being sent to prison and when millions of pounds of compensation are being paid out by that organisation, for people at a senior level not to be fully aware of the seriousness of what is going on, and to be unable to act. That is a serious issue because one would hope that when people at the top of a professional organisation became aware of wrongdoing, they would become the drivers for internal change and reform and be the ones who make sure that things happen. The report of the Select Committee on Home Affairs shows that there are great concerns about how the Metropolitan police pursued this case and about the fact that evidence lay unchecked and unresearched for a good amount of time, which might have delayed the investigation for some years.

There is also a big challenge for News Corporation. Whatever comes out of the inquiry that has been set up to look into the work of the media and the police inquiry, News Corporation should reform its corporate governance structures so that it has a mechanism to ensure that this never happens again, and that people at a senior level can take the appropriate action at the appropriate time or be held to account at the highest level for the failure of that action.

Richard Fuller (Bedford) (Con): My hon. Friend is making a strong point, as the hon. Member for Rhondda (Chris Bryant) did, about corporate governance needing to be changed. That is absolutely correct. Would my hon. Friend not also say that the culture and the mindset within which executives, even those at the lowest levels of these organisations, are working needs to change? It is not enough not to know what people in an organisation are doing; they need to know what they should and should not be doing.

Damian Collins: My hon. Friend makes a very good point. The point I raised with Rupert Murdoch in the Committee yesterday was about where the boundaries of investigative journalism lie, and whether they are clearly understood. Most people who have worked with news organisations—particularly former employees of News International who have spoken out—would say there was tremendous pressure for scoops and news. Some former *News of the World* journalists, such as Dave Wooding, who was on "Newsnight" last night, would say that there was that pressure, but that does not mean that they broke the law to go and get stories; they just did their job very hard. There are allegations about other people in the organisation who might have broken the law to satisfy their paymasters, editors and proprietors.

There is clearly a great need for investigative journalism in this country. It gives us a transparent society, and there is a lot more to being a democracy than simply holding elections.

Ian Austin: On this point about investigative journalism, will the hon. Gentleman disassociate himself from the disgraceful attempts that we heard earlier to smear Tom Baldwin for his role in a perfectly legitimate investigation that has been defended not only by *The Times* but by its then news editor, who now serves in the Government as the Secretary of State for Education, and who, following that investigation, described Lord Ashcroft as

"Ambassador for one foreign country and a tax exile in another".

He also said that the credibility of the Conservative party was not enhanced by its then leader

"acting as the paid lobbyist for your own title-hungry Treasurer".

Damian Collins: All I would say is that I would apply the same rule as the Prime Minister: people are innocent until proven guilty. If there are charges and an investigation, that is one thing, but no charges have been brought against Mr Baldwin, so he is innocent until proven guilty, just as anyone else would be.

There is a great challenge of looking at the boundaries of investigative journalism and at what is right and what is wrong. There must surely be a cultural failure within many news organisations if people believe they are being pushed to do things that might lead to their breaking the law, and that must be addressed. What has been said in the debate so far about the regulation of the press is key and part of that involves internal regulation, the corporate governance of news organisations and how they regulate themselves. The right hon. Member for Blackburn (Mr Straw), who is no longer in his place, talked about his concerns about self-regulation. Although it is different in different industries, it can be made to work.

My experience working in the advertising industry was that a code enforced by the industry on itself would work. One of the big differences between advertising and the press is that there are real financial penalties for advertisers who break the code. If a company has spent hundreds of thousands of pounds producing commercials and advertisements that then get pulled, there is a big financial loss, and a big loss of face for a number of organisations that might have their messages pulled, too, which damages them in the eyes of consumers.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I declare an interest as the Member of Parliament representing News International in Wapping. Although we all support the principle of "innocent until proven guilty", some victims of the hacking scandal—employees

of News International—have lost their jobs; they are victims who will suffer, regardless of their guilt or otherwise.

Damian Collins: The hon. Gentleman is absolutely right, and that is an important point. Going back to what I said about the importance of good structures of corporate governance there are victims within organisations that fail the test of corporate governance—innocent people who have done their jobs well lose out as a result of the mistakes of others. That is why it is so important that those structures should be there. Whatever lessons have been drawn from the scandal so far, that surely must be one lesson that the Murdochs have to learn from it; that is of the greatest importance.

Models of self-regulation can work, but clearly there is a need for total reform of the regulation of the press. The principle of a free press is, of course, of the highest importance. That must continue, but that does not mean that journalists can operate outside the law.

Mr Cash: Does my hon. Friend agree that the self-regulation of the press in the 21st century has to be regarded as self-regulation, or regulation, of the media as a whole?

Damian Collins: I am grateful to my hon. Friend, who makes an important point. The media and the news, in particular, work across multiple platforms; people get their news not just from newspapers, but from television and the internet, so there is a case for that, although that is quite a big and broad challenge. Certainly, among the regulators there should be people who have experience of multiple media platforms, and an understanding of what is acceptable. That is something to consider.

In the short time left to me, I want to raise a second point. We all agree that there is a good, strong, and important case for free media and a free press, but there is also a strong role for the regulators with regard to mergers involving media organisations. There was discussion earlier about whether politicians should be taken out of the process. It would be wrong for politicians to exercise independent judgment outside of legitimate advice about what companies are fit and proper, and what companies should, or should not, be merged. That should be based on a good high degree of technical and professional knowledge.

The right hon. Member for Bermondsey and Old Southwark (Simon Hughes) spoke, in answer to an intervention, about the application of a "fit and proper person" test. We on the Select Committee had a briefing about that from Ofcom, in whose eyes it is a real test. It has applied it in the past, and has removed broadcast licences from digital broadcasters in the past. I am sure that if Ofcom is monitoring this debate, it would be happy to send information about that to any hon. Members who have an interest in the issue.

We have an obligation to ensure that there is a free and open marketplace for media. The Leader of the Opposition raised his concern about the dominance of Sky in the pay TV market, but we have to look at that market as a whole, and not just one area of it. Yes, Sky is dominant in pay TV; ITV is also dominant when it comes to traditional advertising revenue generated from television. Most people probably get their news and content from the BBC. In the digital media age, all those will be accessible from one platform. When YouView launches next year, there will be more choice more easily available to consumers than ever before.

Although media companies are very different, it is right that we consider them as part of the same entity. We also have to consider that in the internet age, people will increasingly get their news from powerful online organisations such as Google, and social networking sites such as Facebook, which are out of the scope of the regulation of the UK media. We have to consider how media organisations in this country can compete with added pressure from those platforms, so we have to look at the totality of the media market.

We should recognise that newspapers are an enormously important part of our national life; many millions of people still enjoy buying and reading physical newspapers every week, as well as accessing them online, but newspapers, as a business model, struggle. They often succeed better when they are part of integrated media companies with the financial muscle to support them. To refer to remarks made earlier, that is why it is important that there should be oversight of the whole market, and that we consider the competitiveness and regulation of the whole market, and see it as a single entity producing news and taking it to people. When it is well run, healthy and respectable, it is of the greatest importance to a free society and a great democracy.

4.19 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): I declare to the House that I was in Oxford university Labour club with Rupert Murdoch, that when I was chairman of the club he was unseated as secretary for breaking the campaigning rules, but that our relationship was sufficiently repaired that, by the time I worked for Harold Wilson at No. 10 Downing street and was his host at lunch, he had by then purchased the *News of the World* and *The Sun*, and both of those supported the Labour party in the 1970 election—for all the good that did!

The title of the debate demonstrates the Government's shifty efforts to evade any sort of accountability for the events that have disgusted the nation over recent weeks. It is of course undeniable that there has been corrupt, possibly criminal, behaviour by senior figures at New Scotland Yard, and it is essential that these wrongdoings, both institutionally and by individuals, should be dealt with in the sternest way, particularly for the sake of the thousands of police officers doing a challenging job on behalf of the community.

It is undeniable too that there has been criminality in the *News of the World*, and that that criminality should be investigated and, where appropriate, prosecuted. Senior figures in News International and News Corp have, however belatedly, expressed their contrition and, convincingly or otherwise, claimed ignorance of the worst excesses that have been revealed. I have to say that that reveals their inadequacy in holding the jobs that they did. When I worked at the *Daily Mirror*, which I did for nine years, and Hugh Cudlipp, that great journalist, was editorial director, he would have known what was going on—except that he would have stopped it going on before it happened. The standards have deteriorated in newspaper proprietorship.

[Sir Gerald Kaufman]

It is difficult to reconcile what Rebekah Brooks told the Culture, Media and Sport Committee yesterday about payments to the police with what she told the Committee under my chairmanship on 11 March 2003:

"We have paid the police for information in the past."

That was pretty categorical. She argued yesterday that it was not inappropriate for her to have the Prime Minister as a friend, and that is acceptable. On the other hand, it was entirely inappropriate for the Prime Minister to have Rebekah Brooks as a friend. The list of his meetings with journalists, dragged out of him in recent days, demonstrates an extraordinary cosiness with executives of News International newspapers, with nearly twice as many meetings with them as with all other media groups combined, including three stays at Chequers for Rebekah Brooks.

Andrew Selous: I am grateful to the right hon. Gentleman, who is a distinguished Member of the House, for giving way to me. If he is saying that it was wrong for the Prime Minister to have that close a relationship with Rebekah Brooks, by the same token would he say that it was wrong for the last Prime Minister to have had such a close relationship with Rupert Murdoch, to the extent that their children played together?

Sir Gerald Kaufman: He did not have that kind of relationship with Murdoch. He did pursue Murdoch too much, I grant the hon. Gentleman that, but he did not have that kind of close personal relationship that the present Prime Minister has had with Rebekah Brooks. No Prime Minister, almost certainly ever, has had such disproportionate contacts with one newspaper group and in such a short time. Heath, Thatcher and Major never had such chummy relationships with the media. Stanley Baldwin, referring in the 1930s to press excesses, spoke—the words were supplied to him by Rudyard Kipling—of

"Power without responsibility—the prerogative of the harlot throughout the ages."

This Prime Minister has proved both incorrigible and suspect in his relationships with News International executives. The most notorious, of course, was his hiring of Andy Coulson as his head of communications. He played round that this afternoon when he answered questions, but the fact is that he should have been aware before appointing Coulson of Coulson's 2003 admission to the Select Committee of payments to the police, followed by his claim that such payments to the police were within the law—which is impossible, since bribing the police is a criminal offence. To take on someone who has confessed to criminal activity and then lied about it is utterly culpable, especially since numerous warnings were sent to the Prime Minister not to take him on. I repeat what was said earlier: Rebekah Brooks made it very clear that Coulson was appointed by the Prime Minister on the recommendation of the Chancellor of the Exchequer.

Odd things have gone on under the Prime Minister's leadership of the Conservative party. He was imprecise and evasive when asked about the employment of Coulson's former deputy Neil Wallis, who has been arrested by the police as part of the hacking investigation, and who did work for the Tories in the run-up to the general election. The warnings to the Prime Minister about Coulson seem not to have been passed on by Ed Llewellyn, the Prime Minister's chief of staff. That was a grave dereliction of duty. No previous Prime Minister would have accepted such conduct, but as we know, Wallis's conduct was even more bizarre.

When John Yates, then assistant commissioner of the Metropolitan police, in advance of an arranged meeting with the Prime Minister, offered to brief him on phone hacking, Llewellyn rejected it, saying:

"We will want to be able to be entirely clear, for your sake and ours, that we have not been in contact with you about this subject."

People go on about the inappropriateness of briefing the Prime Minister about operational police matters, but the offer was not to brief him about operational police matters, and if anyone tells me that the police do not brief the Prime Minister about operational matters relating to action against terrorism, which Yates was also in charge of, I say, "Pull the other one."

Llewellyn was seeking to claim deniability on the issue, but no Prime Minister ought to need to claim deniability on any subject. The Prime Minister's attitude to this entire imbroglio has been unacceptable. He has made statements about it outside the House and then had to be dragged to the House. This debate is the latest example. He held meetings with Rebekah Brooks right in the middle of the process of Government consideration of the News International bid for BSkyB, which was until recently regarded as a wave-through, and it would have been waved through if this scandal had not broken.

Today the Prime Minister was questioned again and again, including by my hon. Friend the Member for Bolsover (Mr Skinner), about whether he had discussed the BSkyB takeover with Rebekah Brooks or anyone else from News International. He did not answer. He dodged the question. It is perfectly clear from his failure to respond that he discussed the BSkyB bid with News International, and if he wants to intervene now to deny it in categorical terms, I shall be delighted to give way. But he has not, and he will not.

The Government have behaved to Parliament and the country as no Government have behaved since the Profumo scandal. Their priority has been appeasing one brand of press baron. That has to come to an end; the Government cannot get out of it.

4.28 pm

Mr Don Foster (Bath) (LD): I have great respect for the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), but I regret his speech today. It was in marked contrast to the tone throughout the debate, which was rightly set by the Prime Minister and the Leader of the Opposition in their opening remarks. They made it clear that both major parties have made huge mistakes in their dealings with the media over the past 20 years. The right hon. Member for Manchester, Gorton seemed to want to suggest that it was entirely one-sided, but I could refer to a long list, from Tony Blair's flight to see Rupert Murdoch on Hayman Island in 1995 to Sarah Brown planning a party for Rebekah Wade. Surely the right hon. Gentleman accepts that today we have heard both major political parties saying they have made mistakes and that they are willing to work together to sort out the mess.

John Mann (Bassetlaw) (Lab): Will the right hon. Gentleman give way?

Mr Foster: I will in a minute.

We join both major political parties in saying that it is vital to acknowledge that there are some very good police officers and journalists, sadly including many who have lost their jobs because of what happened at News International.

Sir Gerald Kaufman: I agree entirely with the right hon. Gentleman that there are wonderful police officers—as there are in my constituency—and outstanding journalists, who have played an important part in this episode. I said to the hon. Member for South West Bedfordshire (Andrew Selous) that if Tony Blair had misbehaved, and that includes the visit to Australia, I disapproved. However, the current Government have had a greater cosiness with one newspaper empire than any other Government I have known.

Mr Foster: I regret allowing the right hon. Gentleman to intervene because, yet again, he is trying to engage in the party political knockabout for which the public will not forgive us. They want us to get on and sort out the mess. They want the police inquiry to get under way and be done properly this time around. They want the judge-led inquiry that my right hon. Friend the Prime Minister has set up to do its work as quickly as possible.

Yesterday we saw the excellent work of both Select Committees in their investigations. Sadly, we learned relatively little from the Culture, Media and Sport Committee. We got the welcome, but well-rehearsed contrition. We found that *The Sun* cannot tell the difference between a custard pie and a paper plate full of foam. We discovered that, bizarrely, Glenn Mulcaire's legal fees continued to be paid. Thank goodness it has been announced that, as of today, those fees are no longer being paid. Above all, we discovered that there should be genuine concern about the corporate governance of News Corporation. We need to address that concern and its implications for us.

The Prime Minister rightly said that we must consider competition legislation—we certainly must. He also rightly said that we must consider plurality. I say to my right hon. Friend that we must consider not only when the test is applied—the Secretary of State for Culture, Olympics, Media and Sport has already committed the Government to doing that—but what the plurality rules cover. I think that all hon. Members recognise that we currently base the definition on news and current affairs. Yet surely all hon. Members also acknowledge that a powerful drama can transform how we view our world and each other, and that a powerful comedy can have the same effect. When we consider plurality, we need to widen the remit of what is covered so that it is not confined to news and current affairs.

Damian Collins: The right hon. Gentleman may have been coming to the point that I am about to make, in which case, I apologise, but does he also agree that strong media companies have the budgets to invest in new creative content and talent, which are important to the entire industry?

Mr Foster: My hon. Friend is right, but the other point that I want to make is that we need to reconsider the fit and proper persons test. If we have real concerns about corporate governance, we should be able to test whether a corporation—an owning organisation—is fit and proper to own, for example, BSkyB or parts of it. I think that we should consider whether News Corporation is fit and proper to own not only more shares in BSkyB, but its existing 39% of shares.

I am pleased that my right hon. Friend the Prime Minister is here because I have some concerns about one aspect of his announcement today. He announced the possibility—depending on certain circumstances—of extending the judge-led inquiry's remit to cover other forms of broadcasting and social media. Before the debate, my concern about that was relatively simple. The issues are so complicated that extending the remit would lengthen the time of the inquiry for such a long period that we would not get on and tackle matters. We should consider some of the concerns that people have raised separately, as part of developing the communications Bill in the next 18 months or so.

What really worried me today, however, was the fact that it became increasingly clear from some of the comments made by colleagues on the coalition side of the House that there was another motive, potentially, for what was to be added to the remit. Some of the remarks attacking the BBC and its independence and its high-quality work make me wonder whether some people on the coalition Benches are seeking to—wrongly, in my view—clip the wings of the BBC. I hope that is not the case.

Let me briefly mention some comments that have been made about the need for what the Prime Minister called independent regulation. The whole House would accept that the Press Complaints Commission has been a failure. Many examples of its failure have been cited. The fact that the Richard Desmond newspapers—the *Express* and the *Star*—can simply walk away of their own volition is a pretty good reason for saying that it has failed. The fact that it cannot conduct investigations is another, as is the fact that it cannot fine.

Today we have heard some very helpful lists of ideas of how we can move forward. I particularly welcome the speeches by the right hon. Member for Blackburn (Mr Straw) and the Chair of the Culture, Media and Sport Committee. It is crucial that the new, independent body that replaces the PCC has the ability to carry out investigations, and that it has a much more powerful system of redress, including requiring the payment of fines, but I would warn the House about the way in which "independence" can be interpreted by some people.

I recently looked back at the MacTaggart lecture given by James Murdoch, who only yesterday appeared before the Select Committee to give evidence. The House might be interested to hear a small extract from what he said in that lecture:

> "Yes, the free press is fairly near the knuckle on occasion—it is noisy, disrespectful, raucous and quite capable of affronting people—it is frequently the despair of judges and it gets up the noses of politicians on a regular basis. But it is driven by the daily demand and choices of millions of people. It has had the profits to enable it to be fearless and independent."

He goes on:

> "The only reliable, durable, and perpetual guarantor of independence is profit."

[Mr Foster]

I fundamentally disagree with him, and I would urge people who are looking at how we progress, for example, our creative industries, not to believe that the removal of all regulation will enable the right sort of growth—the growth that we want. It is crucial that we have, for all parts of the creative industries, including and in particular the press, appropriate regulations. That is why the Prime Minister is absolutely right to talk about regulation—yes, by an independent body, but that regulation is needed.

We have spent a lot of time discussing the way forward in terms of regulations and new structures, but it is crucial to remember that we are at present gravely concerned about the illegal activity that has taken place, and that is why it is crucial that everyone be required to contribute fully and provide full evidence to the investigation. Let us hope it is a better investigation than the one by the police last time around.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. As hon. Members can see, there are still a lot of Members who wish to get in. I want to accommodate as many as I possibly can, so the time limit is being reduced to six minutes, and it may even be reduced further later on.

4.39 pm

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I will try to be as brief as possible. The debate is very welcome; it is good for the public to see that we are taking these issues seriously. In the past few weeks we have seen perhaps an unprecedented interest from members of the public, who have suddenly realised, perhaps because of the Milly Dowler situation, exactly what has been going on in some sections of the media.

I want to add a couple of remarks on the family of Milly Dowler. When a scandal becomes associated with the victim of a crime, it is extremely difficult for them to move on and live their lives. I hope that when all these matters are dealt with, that family will recognise that we have tried to do the best thing in their interest and in the interests of other victims of crime, so that they are allowed to move on.

As hon. Members may be aware, I was not able to participate in the evidence given to the Culture, Media and Sport Committee yesterday, but I watched it carefully. I was astonished to hear some of the evidence from both Rebekah Brooks and the Murdochs. By any stretch of the imagination, in the capitalist world, that corporation is a successful one in terms of profit and turnover, but those people simply did not know who had authorised the spending of money at various points. That beggared belief. It also beggars belief that within that system, they could not identify who had authorised illegal payments to the police. It seems that there was no oversight or governance in relation to those payments.

At any time, an intrusion into people's privacy is a delicate matter. There will be times, in the interests of national security or of tackling serious and organised crime, when intrusions will be made. Hon. Members will know that when those serious actions are taken, a range of measures must be in place. They are right and proper, because responsibilities go with such intrusion. In the interests of allowing the press to conduct investigations and so on, the press must take its responsibility seriously. However, I cannot conceive of a situation in which any reasonable person would say that it is proper for the press to undertake some of the so-called investigations that have been undertaken, or that it is proper for the press to make illegal payments to do so. It worries me when we slip into the shorthand and talk of "hacking" or "blagging", because "hacking" is accessing people's private information illegally, sometimes by paying money. The word "hacking" should not slip off the tongue without further consideration. Blagging, of course, is trying to obtain people's private information—usually financial information such as bank account details—illegally by assuming someone else's identity.

I mentioned that I found it difficult to understand why nobody in News International seemed to know who had done what. I agree with my hon. Friend the Member for Rhondda (Chris Bryant), who asked this question: if News International and News Corp have got so big that nobody knows what is happening, how could they possibly countenance taking on another company and looking after it with any proper governance?

I welcome the inquiries that have been set up and the Prime Minister's assurance today that the inquiry will cover Scotland. Of course, this is not simply about one part of the UK, and neither is it just about News International, so I welcome the fact that the inquiry will extend to other police forces and that it will look at all newspapers and media. However, I am a bit of a pedant for the detail. The Prime Minister said that "relevant forces" would be included in the police inquiry. In his winding-up speech, will the Minister confirm whether all police forces are relevant in that context?

I asked a question earlier in relation to the Scottish Government, who I am sure will want absolutely to co-operate with the inquiries. I hope that they immediately publish information about their contacts with News International.

Ian Murray (Edinburgh South) (Lab): What are my hon. Friend's thoughts on why the normally robust and vocal First Minister of Scotland has been very quiet on this very serious issue?

Cathy Jamieson: I would never seek to put words into the mouth of the normally loquacious Mr Salmond, the First Minister of Scotland—I am sure he can speak well for himself—but it is important that that information is put into the public domain and that it forms part of the inquiry.

I conclude by making a couple of points about the Press Complaints Commission and whatever will replace it. A member of the public—not a politician, a lawyer or someone involved in this from day to day—who finds themselves on the wrong end of a newspaper report will find it extremely difficult to take that matter up. Whatever we do, we must ensure that the body is accessible to the public.

It will, of course, take time for the inquiries that are under way to report to the House. However, it is important that that does not send the signal that nothing should change in the meantime. I therefore call on all police forces to go through their records to ensure that there has been no illegality regarding the receipt of payments. I also call on newspaper editors and owners to do

exactly the same. If they find that illegal payments have been made, they should cease that practice forthwith. If any of their reporters or staff have been involved in so-called blagging, they should make it clear publicly that that illegal operation will cease. Politicians have a role in this, but so do the press and the police. It is up to us all to take our responsibilities seriously so that we give back to the public the confidence that they deserve.

4.46 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): Sadly, the phrase "Don't believe everything you read in the press" now seems to be true. In addition to dealing with criminality, I hope that this process will ensure that we can believe everything that we read in the press, just as we can believe the phrase "You can always trust a policeman".

A great cross-party approach has led to the inquiry, so I commend the Leader of the Opposition for working with our Prime Minister and the other party leaders. However, I wish that Labour Members had acted when they were in government, as I am sure they agree.

I associate myself with the apology that my hon. Friend the Member for Maldon (Mr Whittingdale) made to Mr Rupert Murdoch yesterday, and I give Mr Murdoch some credit for staying on to answer Committee members' questions. My hon. Friend also referred to outstanding points for the inquiry. As the Committee has not yet concluded its report, I do not intend to make specific comments about what was said yesterday, but I encourage hon. Members to read the transcript and to note that we will set out written follow-up questions.

The hon. Member for Rhondda (Chris Bryant) suggested that at least two people had lied to Parliament in the past 24 hours. I assume he was referring to Sir Paul Stephenson's comments about his resignation, and perhaps to Mrs Brooks and the Murdochs.

John Mann: That is four people.

Dr Coffey: I do not know to whom the hon. Member for Rhondda was referring.

We have to be careful when we say that people have lied to Parliament. However, I agree with the hon. Gentleman that we have not got to the bottom of the matter—as the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) said, some of the testimony was frustrating—and to do so we need to call further witnesses to our inquiry. However, I now know that the Committee's intention is that the police and the judicial inquiry see further witnesses rather than us.

I welcome a lot of the suggestions that have been made about equal prominence for apologies and about fining and compensation powers. I asked Mr Murdoch yesterday whether, given his experience in the media spotlight, he would think again about his newspapers' headlines and some of the targets of their investigative journalism. I appreciate that a headline such as "Up Yours Delors" is quite entertaining and unlikely to cause damage, but *The Sun* once published the headline "Bonkers Bruno Locked Up". At that time, Mrs Brooks learned a lesson straight away because the following day she published a front-page editorial from the charity SANE, as well as making appropriate restoration. I see that the hon. Member for Liverpool, Walton (Steve Rotheram) is not in the Chamber, but I should point out that *The Sun* has made no such restoration of reputation for the Hillsborough 96, which I think would be welcomed by the people of Liverpool.

Newspapers and the Press Complaints Commission itself do not need to wait for the creation of a new regulator because they could change the code of conduct by bringing in several ideas that have been suggested. Although, the PCC's credibility has sadly, been somewhat destroyed, that does not mean that it should be sulking, as I perceive that some of its comments suggest is the case, although I am sure that that is not its intention. People should look in the mirror before they write those headlines and decide what they are going to put out there. As I said, some of the treatment that editors, both past and present, have recently received will, I hope, make them think again.

Both in the testimony that we heard yesterday and in the Home Office report, there was extremely heavy reliance on lawyers' advice, for example, on the sum for which people should settle. The Home Office report considered the question of whether former Deputy Assistant Commissioner Clarke relied on lawyers' advice about undertaking more investigation if News International was not co-operating, and whether he was told that the police could not really exercise certain powers because it would be seen as fishing. From my own experience of corporate life, lawyers always take the lowest-risk approach, and one has to decide whether one wants to take that advice. Indeed, the House decided earlier this year that it was not happy with advice about prisoners' votes. People should not necessarily hide behind lawyers' advice. They should listen to it, but they should be prepared to make different decisions.

Sheila Gilmore: Will the hon. Lady give way?

Dr Coffey: I was about to conclude, so, in deference to other hon. Members who wish to make a speech, I shall not give way.

I applaud the cross-party approach that some hon. Members have taken, but I deplore the tribalism demonstrated by others. I am afraid, however, that I might introduce a little bit myself. It was Mr Yates who led the investigation into cash for honours in which an official serving the then Prime Minister was arrested. I am not aware that people were calling on the then Prime Minister to apologise—I think that there was surprise—and, as has been said by the Prime Minister and by other Members, we should wait until people are charged and, indeed, found guilty before we condemn the decisions of those involved in employing them. On that matter, I commend the motion, and particularly the desire of everyone to make sure that we have a cleaned-up press and a police force whom we are confident can lead such investigations.

4.52 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): A number of Members have said that we all bear some responsibility for our relations with the press, which are sometimes uneasy. That is also true of our relations with the police. At times, Members are anxious about criticising the police lest they appear to be expressing a lack of support. At other times, we are fulsome in our praise when there is a need for criticism.

[Steve McCabe]

I think of myself as someone who supports the police, but there are lessons to be learned from what happened at the Met in this unhappy episode. There are serious questions about managerial control at the Met, and that will be a consideration when the next commissioner is appointed. I was struck by the way in which Lord Blair, the former commissioner, wanted immediately to distance himself from the original inquiry, and did not want to have anything to do with it. I accept that he did not have operational control, but he was the guy in charge. I was struck by the way in which Andy Hayman seemed to be in charge of the inquiry, but not remotely in control of what was happening. John Yates did not seem to be at all clear about what Sir Paul Stephenson had asked him to do when he conducted an eight-hour mini-review. Mr Fedorcio seemed to run the public affairs directorate as an odd-job man might recruit customers—it was almost unbelievable.

We need better managerial control at the Met. It is astonishing that no one thought to ask a question about the fact that 10 of the 45 employees in the public affairs directorate were ex-News International. Anywhere else, that would be a question worth asking. The way in which Mr Wallis was awarded a contract worth £1,000 a day is open to question, too. The fact that in the midst of investigations senior officers could have dinners with people who might be directly relevant to their inquiries seems astonishing.

I do not see that the Mayor has played a particularly useful role, with his reference to codswallop and his attempt to roll back. I mention this because the Mayor is the model for police commissioners that the Home Secretary wants to impose on the rest of the country, and the Mayor seems to have played no useful part in terms of accountability during this process. What looks like one of the least accountable forces in the country is set to become the model for the rest of the country. There is an argument that, even at this late stage, the Government should think again about the problem.

Andrew Selous: Will the hon. Gentleman explain to the House how he thinks a police force is more accountable to an unelected official than to an elected one?

Steve McCabe: That is not really the point. The point that I am making is that in the face of this enormous scandal, the man who was supposed to make the police more accountable did nothing about it.

If Lord Macdonald is right about what he saw in the file, sadly some officers will have to go to jail to restore public confidence. There is no way in which that can be swept under the carpet now.

I echo the points made by the Chairman of the Home Affairs Committee, my right hon. Friend the Member for Leicester East (Keith Vaz), and by my colleague on the Committee, the hon. Member for Hertsmere (Mr Clappison), about victims. At the core of the problem is the way people were treated. Unless additional resources are devoted to identifying the victims and something is done about that, the stench associated with these events will never go away. While there is doubt about whether all the people who have been mistreated have been accounted for, the problem will not go away. There will be no closure until we identify all the victims and they are properly and fairly treated. I urge the Government to think about that aspect.

In criticising the police, we should not forget the pressures they were under at the time, with the incredible terrorist threat that was sweeping the country. We should not underestimate the pressures that ordinary rank and file officers feel they are under because of the cuts and the relentless pace of change that the Government are imposing on them. We need to recognise that wrongdoers must be punished and failure in all its forms in the police must be addressed, but ordinary officers need a break from the relentless attack on honourable policing traditions, which is the problem now afflicting police forces throughout the country.

In the light of what we have experienced in this horrible affair, there is a chance to pause and think again about some of the things that are happening to other forces at this time. It would be a tragedy if we did not learn anything from the experience and went on to create conditions in other forces that mean that the same problems are repeated elsewhere at some point in the future.

4.58 pm

Mr Peter Lilley (Hitchin and Harpenden) (Con): I welcome the recall of Parliament. I am only sorry that we are not being recalled to discuss the problems of the eurozone, the slowdown in the world economy in the face of higher energy prices, and the famine in east Africa. We may well have to be recalled in August to discuss the first of these issues.

We are here today to discuss, among other things, the relationships between politicians and the media. It behoves us all, therefore, to declare any connections with the media in general and News International in particular. I was going to say that I had none, but my wife reminded me that in 1997 *The Times* supported my bid for the leadership of the Conservative party. In view of the fact that, as my right hon. Friend the Member for Richmond (Yorks) (Mr Hague) discovered and the Leader of the Opposition will discover, becoming Leader of the Opposition after 12 years in power is a poisoned chalice, it might be thought that endorsing me was more a malicious act than a reason for me to feel any obligation. Anyway, *The Times* subsequently precipitated my departure from the Front Bench by publishing no fewer than 16 hostile articles critical of my Butler memorial lecture—the first time it had ever received such attention in *The Times*. I think therefore that my slate is clean as far as Murdoch is concerned, which is just as well because I might say some things that are mildly favourable to News International.

There has been great outrage in this country over the hacking scandal and Milly Dowler, but I am worried that it is being used by some people who want to shackle the freedom of the press, which would put not only our freedom in danger but a major industry and employer in this country at risk. Politicians tend to suffer from the delusion that the press and the media have far more power than they do—the power to swing votes. In fact, readers do not take instructions from editors. When *The Sun* had been backing the Tories for a decade and claimed, "It's the Sun wot won it", a survey

found that a majority of readers of *The Sun* thought that it was a Labour-supporting newspaper. Readers who are interested in politics choose their newspaper because it has congenial political views; the rest are largely uninfluenced by an editor's views. Successful editors follow their readers, not vice versa.

None the less, we in the House tend to be subject to this delusion, and none more so than those on the left of politics. The reason is that the left needs an explanation for why the majority of ordinary people do not share its views on the EU, crime, family, welfare and taxes. Those on the left conclude, as they have to, that people must have been indoctrinated, and clearly the indoctrinator-in-chief is Rupert Murdoch and News International. I have looked through the literally hundreds of e-mails that I have received on this issue. Only one mentioned Milly Dowler; one other expressed outrage about hacking. All the others were about Rupert Murdoch, News International and even Fox News, which does not even operate over here, and about its size, its share of the market, its views and its foreign ownership. These are legitimate concerns, but they are partisan.

Sheila Gilmore: Like the right hon. Gentleman, I have received numerous representations this year on the BSkyB takeover. As a councillor, I was always advised that in matters that might involve a conflict of interest, perception was everything. Does he agree that it would have been better had the Government from the outset—at the end of last year—referred the bid to the Competition Commission, and not got involved with undertakings from an organisation that had already proven itself to be untrustworthy on undertakings? That would have improved the public's perception of the Government.

Mr Lilley: I do not believe that perception is all; substance is the most important thing, along with following the law, which is what I believe the Government did.

Labour Members have expressed no concern today about the media share held by the BBC, about the behaviour of *The Mirror*, which was often implicated by Nick Davies in his investigation, or about the ownership of the *Standard* or *The Independent*. I think that we need to recognise that the press does not have the power that people suppose. It does not swing votes—perhaps a few—and it does not determine popular views but follows them. The one important power that the press has is the power to tell the truth. All credit should go to Nick Davies of *The Guardian* for his investigations, both on this particular issue and more widely. Sadly, his searing critique of the media, "Flat Earth News", received remarkably little coverage from his colleagues in the media and appallingly little interest from the political class in the House. At its launch in this House, I was one of only two Members of the House of Commons who attended to hear his views. But we should listen, because he says that there is wrongdoing in many organs of the press other than News International.

Having listened, we should be extremely wary of believing that the solution is to burden the media with more regulation and with statutory controls. Hacking is already illegal—we do not have to pass laws to make it illegal. However, such things as intrusion on personal grief, though repugnant, are not justiciable. Bias and distortion are regrettable, but they are not really justiciable unless we are to set up censorship of the press. We should be very wary of going down that road, and we should not get carried away or allow partisan concern about the views expressed by one player in the media to be used in the political process to damage that player or the freedom of the press.

Louise Mensch (Corby) (Con): On a point of order, Mr Deputy Speaker. I am sorry to interrupt the House, but I have just learned that the BBC journalist, Mr Paul Lambert, who reported yesterday on the egregious breach of security during the Culture, Media and Sport Committee sitting, has had his parliamentary press pass removed by the House authorities. I hope the House will agree that it is appropriate that we support the freedom of the press, particularly when the press are reporting on serious failures of security in this House.

Mr Deputy Speaker (Mr Nigel Evans): I am sure that this will be looked into in more detail as news of what the hon. Lady has just spoken about arrives. It is news to me, but I am sure that it will be fully looked into and may be properly addressed later on.

Helen Goodman: Further to that point of order, Mr Deputy Speaker. There are clearly a number of concerns about who gets press passes. I wonder whether, when the matter that the hon. Member for Corby (Louise Mensch) has raised is looked into, some consideration might be given to publishing who has press passes. At the moment, we do not know that.

Mr Deputy Speaker: Again, I am sure that will be looked into. I am not absolutely sure whether the names of those who have press passes are not already in the public domain in the directory that is made available to the House, but I will look into the matter myself to see what the truth is.

5.7 pm

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Today's debate is entitled "Public confidence in the media and police", but whatever the shortcomings of that title, everyone who is in the Chamber can agree that both of those have been shaken to the core by recent events.

The evidence offered by senior police officers yesterday and by senior Met officials could be assessed either as a demonstration of unprofessional and naive behaviour or as a wilful neglect of the integrity that we normally associate with those who have been given the privilege of holding high public office. Whichever conclusion we draw, it ain't good. In particular, I draw attention to the evidence of Dick Fedorcio, which was unintelligible to me. That is more worrying when we consider that he is the man responsible for the Met's message. Although John Yates has carried out distinguished work during his career—of that there is no doubt—I fear that he will be remembered for a Mr Magoo-style botched and bungled phone hacking investigation.

Like many others, I watched with great interest the theatre of the Culture, Media and Sport Committee hearing yesterday. At times, Rupert Murdoch cut a figure of an amalgam of all the caricatures that we have seen of him over the years, but it was the young pretender, James Murdoch, who revealed the most through half-answered questions. At times Mr James Murdoch looked

[Mr Michael McCann]

on in terror at Mr Rupert Murdoch, wondering what he was going to say next. However, it was James Murdoch's revelation about Mr Glenn Mulcaire's legal costs being paid that brought Rebekah Brooks's prophetic words into sharp focus. Members will remember that she said to *News of the World* staff that

"in a year's time every single one of you in this room might come up and say, 'OK, well I see what you saw now'."

James Murdoch's disclosure that Mulcaire's legal fees were paid will, I believe, unlock Rebekah Brooks's prediction. We must wait and see whether that is the case, but people do not pay for a criminal's legal defence if they have nothing to hide.

My main purpose in contributing to today's debate is to call on the Government to extend their investigations to every part of the media, not just the print media. Yes, there is no doubt that the behaviour of News International was indefensible and beyond the pale, but anyone who believes that it stops there displays Olympian detachment from reality. The behaviour of the printed news media in this country has, with few exceptions, been appalling at various times, and it is not until we enter the political arena that we see the worst of it. That behaviour has been sanctioned by a Press Complaints Commission that is paid for by the newspapers. I am reminded of the words of Luke 4:23, "Physician, heal thyself." Self-regulation has to end. Mr Deputy Speaker, you were in the Chair on the evening of my Adjournment debate on 27 April, when I brought the House's attention to the deficiencies in the self-regulation of the press. Like Alice Cooper, I consider myself to be ahead of my time, because shortly thereafter, press self-regulation became a headline issue.

It is my view, however, that the review of the regulation of the media must be extended to include the broadcast and electronic media as well. When debates on statutory control and self-regulation took place in the 1940s, 1950s and 1960s, the printed news media were the public's primary source of information. Now, however, it is Sky News, the BBC News channel and the electronic media. The behaviour of those media must also be investigated, and the public must be afforded the opportunity to contribute to that investigation. I personally would be more than happy to contribute evidence on the behaviour of BBC Scotland, an organisation that I believe has broken its editorial code at our expense. It is currently under investigation following three separate complaints that I have made to Ofcom.

Debates about regulation have raged for decades. Royal commissions have come and gone, general councils have been set up and failed, and, as I pointed out on 27 April, self-regulation has also failed. I am delighted to see that all the main players now agree with me on that. I value freedom of the press and the rule of law, and, following this tide of terrible events, we now have a once-in-many-generations opportunity to set things right. I put it to the Prime Minister and the Secretary of State for Culture, Olympics, Media and Sport that we should not fetter those who have been given the challenge of finding solutions to these problems.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The time limit is being reduced to five minutes.

5.12 pm

Mark Reckless (Rochester and Strood) (Con): The Home Affairs Committee commenced its report on a cross-party basis 10 months ago. That report shows that the relations between the police and the media, particularly News International, are too close. Indeed, there were so many lunches and dinners that I am surprised that senior police officers had time for anything else. Despite that, I do not incline to the view that there is high-level corruption or conspiracy at the top of the police. Given the evidence that I have seen, as far as the police are concerned, I think that this is more about cock-up and perhaps incompetence in some places, although Lord Leveson might find otherwise. I take that view because of the evidence that our Committee saw on the role of the Crown Prosecution Service and the way in which it clearly let down the police.

I asked John Yates yesterday whether he thought that blame had been fairly ascribed between the police and the CPS, and he said that he most certainly did not. He felt that he had been bumping his head against the proverbial brick wall in trying to get people to understand the role of the CPS. It might be more interesting for the media to look at the relationship between the media and the police, but it is the relationship between the police and the CPS that gets us to the heart of this matter.

We must ask why those 11,000 pages of Mulcaire's documents were not looked at and why the police did not do anything about them, but we must also ask why the CPS did nothing. Even yesterday, Kier Starmer was not quite clear as to whether the CPS had seen them all; he said that it had seen only the ones up to August 2006. We have now heard from my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), however, that, on 8 August, the Director of Public Prosecutions and the Attorney-General were notified of the existence of what was described as a

"vast array of offending behaviour"

and the material to back that up. What happened? They do not seem to have done anything about it.

The current DPP looked at this issue in July 2009. He was new to the job. He went through all the materials and tried to find out what happened at the time. He concluded that nothing happened because of the law:

"To prove the criminal offence of interception the prosecution must prove that the actual message was intercepted prior to it being accessed by the intended recipient."

It was on that basis that the CPS constrained the police investigation.

Whether the noble Lords Goldsmith and Macdonald were asleep on the bridge, just gave incompetent legal advice, or in some way prevented this police investigation are very serious questions. I am delighted that the Prime Minister has revised the terms of reference of his Lord Leveson inquiry, and that it will look at the role of the prosecuting authorities and why the CPS gave this, in my view, extraordinary and clearly wrong advice that it had to be proved that the message was intercepted before it was listened to.

Section 2(7) of the Regulation of Investigatory Powers Act 2000 is clear on this issue. Parliament made our intentions clear. We said that a communication remains in transmission while a system is

"storing it in a manner that enables the intended recipient to collect it or otherwise have access to it."

So there is no basis for the CPS saying that the police had to prove that the message was intercepted before it was listened to. However, it seems that that is what stopped the investigation back in 2006. The noble Lords Macdonald and Goldsmith have to answer for themselves on that: why did they give that advice, which is clearly wrong in the light of section 2(7)?

Keir Starmer of the CPS is acting loyally, and as far as I can see acted properly in trying to look into this matter in July 2009. He has now recanted from the evidence that I just quoted, which he gave to the Culture, Media and Sport Committee. He is saying at best, "Well, perhaps it is uncertain. Perhaps there could be a prosecution." However, even that would have hugely constrained the police, because it made matters much more difficult for them. The advice of the CPS was much clearer at the time: it said that prosecution was not possible on that basis.

That is the problem we are left with, and I want to know why the CPS did that. The CPS needs to be more accountable, and I look forward to seeing stage 2 of these elected commissioners—and not just for the police. As with police, the royal commission in 1981 said that the CPS should be put under elected control and oversight.

5.17 pm

Helen Goodman (Bishop Auckland) (Lab): This is clearly an extremely important debate for the future and quality of our democracy and the nature of our country. Across the House, Members are in agreement that we want a free press, but at the moment we are not quite agreed on what we mean by freedom of the press. A free press is obviously part of the rights we have under the European convention on human rights to free speech and free expression, but I remind Members that the exercise of this freedom also carries duties and responsibilities. The convention says that the exercise of these freedoms is "subject to" limitations

"in the interests of national security…public safety…the prevention of…crime"—

ironically—

"the protection of health or morals"

and so on. So, this freedom of expression is not a freedom from all constraints or legalities, and nor is it a freedom to chase stories using any technique possible. Significantly, it is also limited by article 8 of the European convention, on the right to privacy. As we move forward and look at the appropriate regulation, we need to have in mind article 8 as well as article 10.

It really is not reasonable for people to pretend that uncovering the sex lives of footballers is equivalent to the fight for freedom of expression we have seen in north Africa and the middle east in recent months. It is also disingenuous for so-called celebrity columnists to pretend they are some latter-day combination of Bob Woodward and Dean Swift. I do not agree with Lord Kinnock about the rules on balance for the broadcast media being taken across into those for the press, but I do think that the Leader of the Opposition was absolutely right that the problems we have faced over a long period of time have been because of a very significant concentration of power, which led to a web of corruption.

It is not acceptable that a quarter of the Met press office had formerly worked for News International. It is a matter of concern that Andy Hayman went to work for News International from the police, that the former DPP went to work at News International and that News International has also employed, as a so-called independent adjudicator, a former High Court judge, Sir Charles Gray. I am not suggesting that all those cases involve impropriety, but we must know what the rules are. I hope when the Secretary of State winds up he will be able to tell us the truth about what happened in the autumn of 2009, when, it is widely rumoured, the broadcasting policy that he wanted to publish was held up because the Chancellor of the Exchequer had to clear it with James Murdoch.

What I really want to remind hon. Members is that those who have suffered most as a result of these abuses are ordinary people. What has been uncovered very recently has been extremely shocking, and there is a long history of ordinary people being abused and not having proper recourse because they did not have the money to employ lawyers and because the PCC is such a toothless tiger.

Let me tell hon. Members a couple of stories about that. A boy in my constituency, who was obviously badly behaved, was described in one of the tabloids as "terrorising" the town, which was a total exaggeration and is not a way in which any of us would allow our children to be described. In another case, a woman I met who was a victim of domestic violence was also denigrated—in *The Sun* in this instance—because her neighbours had been blagged. There was complete deceit about the nature of the inquiry and how the story would be written up. We are talking about extremely vulnerable people and we must take them into account in any new regulations that are set up.

5.22 pm

Alok Sharma (Reading West) (Con): First, I add my voice to the unanimous view of the House that the phone hacking scandal is a total and utter disgrace and that those who are found to have broken the law should face the consequences. Hacking, blagging and any similar illegal activities are absolutely despicable and we all feel for the vulnerable individuals and their families who have been subject to this illegal activity and awful intrusion at some of the most difficult times of their lives.

In the past few days, it has been reported that my predecessor, the former Member for Reading West, was one of those targeted by a private investigator implicated in the *News of the World* scandal, and that he was targeted because he had refused to support a *News of the World* campaign to allow parents access to the sex offenders register. It is shocking that any hon. Member, or indeed any member of the public, should be subject to such an invasion of their privacy just because they choose not to support a media campaign. If the allegations prove to be true, I hope that justice will be served.

Secondly, I welcome the Prime Minister's statement this morning giving further details of the judicial inquiry. I also welcome the very forthright views that he has set out in the past few weeks and today on this issue. His frankness about the collective failure of politicians, the press and the police to get to grips with this whole issue much earlier has been very much in line with the mood of the House and of those outside it. The Leader of the Opposition said in the House last week that "all of us" should

"accept our share of responsibility for not having spoken out more on these issues."—[*Official Report*, 13 July 2011; Vol. 531, c. 391.]

[Alok Sharma]

He was right. The Labour Government of the day did not act on the Information Commissioner's reports of 2006 or on the Culture, Media and Sport Committee's report of 2003. To be fair, the Prime Minister has also said that the then Opposition did not make enough of those reports either.

We know that phone hacking was discussed in Cabinet by the previous Labour Government, but they did not act. Last week, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) came to the House and spoke at length, absolving himself from responsibility for not taking action on his watch. I do not know whether he forgot, but he was Chancellor and then Prime Minister. He was in charge but he did not act.

By contrast, this Prime Minister has acted decisively. He has taken weeks to set up a public inquiry, not years. I should also add that the freedom of the press is a hugely important part of our democracy. We all want to see a clean press, but we do not want to see a cowed press. I hope that, as the inquiry gets under way, that will be uppermost in the minds of those leading the inquiry.

There has been lots of focus, quite understandably, on News Corp and the Murdochs in recent weeks, but we must also keep it in mind that the issues we are discussing have a bearing on the media as a whole, not just the Murdoch press. As has been mentioned, the 2006 Information Commissioner's investigation spoke of

"a widespread and organised undercover market in confidential personal information."

In the Operation Motorman case, the police and the ICO found evidence that there were about 300 journalists working for a wide range of newspapers that had used a variety of techniques to obtain personal information and stories. This morning's report from the Home Affairs Committee was pretty clear. It said:

"Some of the information could have been obtained only illegally".

It is clear that it is not only the Murdoch press that has questions to answer and the inquiry needs to take a long hard look at all those issues.

I also welcome the fact that that the judicial inquiry will consider relevant police forces other than the Met, but we need to remember that the vast majority of police officers are good, upstanding and honest. One thing we certainly want to ensure is that, as with former Ministers, former senior police officers do not simply traipse into certain private sector roles just weeks or months after leaving office.

Finally, over the past weeks there has rightly been huge focus in the House on the hacking scandal. That is absolutely right and the way it should be, but we have several inquiries under way right now and we should let them get on with their work. We also need to get back to talking about the economy and jobs: the bread-and-butter issues that matter greatly to our constituents. Last week, we saw a drop in inflation and a drop in unemployment. It is all welcome news, but there are ongoing concerns in the eurozone and other issues that also need the attention of the House.

I welcome all that the Prime Minister has done to set up the judicial inquiry and to create cross-party consensus. It is the right way forward.

5.27 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): I welcome this debate and, like others, I want to talk about corporate governance. The Murdoch newspapers had 37% of the UK newspaper market—slightly less now, of course, because Murdoch had to sacrifice the *News of the World* to buy time—and by any standards that is far too great a concentration of power, above all in such a sensitive area as agenda setting in a democracy. Worst of all, that power was used not to disseminate information and opinion but to intimidate individuals and pressurise Governments to conform to his will. The need for major reform and media governance is now overwhelming.

Should any one person or organisation control more than one daily and one Sunday paper? I think not. Should the law restricting monopolistic cross-media ownership between the broadcast and print media, which Mrs Thatcher swept to one side in the early 1980s, setting Murdoch on his way to power, be consolidated and strengthened? I certainly think it should. Should a right of reply be instituted here in this country, as in so many other countries, giving space and prominence equal to that of the offending article? How best can new entrants to the media market be encouraged to increase diversity and improve balance in the press? I certainly do not think it should be done by licensing, but more balance would be helpful. The question of how that can best be done needs a lot of examination.

Since self-regulation of the press has proved such an abject failure, how can the right balance be found between statutory regulation, if it is strictly necessary in certain areas, and—most important of all—preserving the freedom of the press to pursue its proper role? We have already seen sanctimonious warnings against any interference with press behaviour, which is exactly what happened 20 years ago when David Mellor, then the Minister with responsibility for the media, warned that the press was drinking in the last chance saloon, since when things have got steadily worse.

Even more disturbing is the continual drip of damning revelations about the shadow power structure made up of the police, News International and No. 10; that is part, I suppose, of the secret governance of Britain. We learned yesterday that a quarter of Scotland Yard press officers had worked at News International, and we learned that the *News of the World*'s chief reporter, Neville Thurlbeck, was an official police informer. Of course, it was already known that the hiring by Scotland Yard of Neil Wallis, the former deputy editor of the *News of the World*, was unbelievably casual, with no due diligence at all, as though the Met and News International were symbiotically intertwined. Perhaps most damagingly of all, we now know that Wallis acted as an informal adviser to Andy Coulson, even when Coulson was ensconced at No. 10, so the clean break that the Prime Minister has always said Coulson made from the *News of the World* was not really so clean at all.

The Home Secretary's proposals for dealing with the situation are not adequate. Establishing an inquiry into setting up a new code of police-media ethics will not resolve the issue of the recently exposed profound dereliction of duty by police at the highest level, which includes taking bribes estimated to total £130,000 for illegally passing on private information. Dealing with such abject

irresponsibility and deep-seated and pervasive corruption requires much more stringent and proactive strategic supervision.

There has been talk about whether the Independent Police Complaints Commission should have more power, but the fact is that the IPCC remains a body for investigating complaints. It is not about proactive strategic supervision. What is needed is a much more powerful new supervisory body that not only reorients the police towards what we all want, which is more reduction of crime, but pursues criminality in high places, where the damage is really done. We need much more profound far-reaching reforms that can prevent the corruption in the power structure that is at the root of this whole scandal.

5.32 pm

Andrew Selous (South West Bedfordshire) (Con): All of us should approach this debate with a degree of humility before we stand in judgment over the press and the police, given the collective black mark that we MPs received in the last Parliament because of the expenses scandal. We are right to comment on these matters, and to draw and learn lessons, but we should remember and put on record that our collective performance in the previous Parliament was not terribly good on certain scores.

It is wholly unacceptable that Rupert Murdoch was attacked in the Committee yesterday. If we want witnesses to come before Select Committees of this House—it is important that they do—they must have the assurance that there will be no repetition of such incidents. I am pleased to learn of the Speaker's inquiry into the matter.

I have to raise a few points put to me by my constituents, who are urging us collectively to learn the lessons, move on, and deal with the serious bread-and-butter issues that face them day in, day out—jobs, public services, the economy, and what is happening in Europe. We are right to focus on the issue and learn lessons, but I think that they are collectively saying to us, "Remember what's happening in our lives, day in, day out." I just want to put that firmly on the record.

We need to accept that it is not a crime for politicians and journalists to talk to each other, and it will not be in future. Politics matters; it is about the conveyance of important ideas. We want politics to be in the newspapers, and the media and journalists enable our message to get out to our constituents. We want a healthy, open, and transparent relationship in future. No more entering Downing street through the back door. If is not a crime for a journalist to go into No. 10 Downing street; it just needs to be transparent and open, and I hope that we are moving into an era in which it is.

I remain extremely concerned about payments to the police from journalists, about which we have heard a certain amount today. I want briefly to illustrate that with three true stories that have been brought to my attention recently. A former Member of the House who went on to have an important position in public service was accused of fraud. At the time of his arrest at 6 o'clock in the morning at his family home there were television crews around his house. He was later found to be innocent and there were no charges to answer. It became obvious that an officer involved in the investigation had tipped off the press and camera crews to record what was obviously a traumatic event for him and his family. That is absolutely wrong.

Another person known to me over the last few years did fantastic service by fostering difficult teenage children in his home. One night there was an incident and one of the teenage children whom he had fostered made an accusation that he had been molested by my friend, who was then arrested by the police. Next day that matter was on the front page of the *Daily Star* in very lurid terms. There was no charge against my friend; he was wholly innocent. No action was taken, but considerable damage was done. Again, a quick backhander from a journalist to the police to get that story. That is absolutely not right. I am focused on ensuring that we have complete transparency and ensure that payments from journalists to the police do not continue. We need real systems to ensure that such payments cannot be made in future. That is something that the police and the press need to concentrate on.

We have heard about apologies made by newspapers. When the press do admit that they have something wrong or have maligned someone, there is a tiny reference to that on page 2 or 3—a small column on the side of the page—when the original story was on the front page—

Mr Deputy Speaker (Mr Nigel Evans): Order.

5.37 pm

John Mann (Bassetlaw) (Lab): Yesterday Rebekah Brooks described *The Sun* as a "very clean ship", and the Murdoch family appears to be suggesting that now that the *News of the World* is defunct we can move on. *The Sun* has had some remarkable scoops for which people do not appear to have gone to court and been convicted. These are scoops by one reporter; there are others, of course, under *The Sun*. The following footballers have been the subject of scoops, usually front page scoops, in *The Sun* by the same reporter, all of which can only have come from the Metropolitan police. There is no other possible source for any of these stories.

This is my squad for the World cup: Frank Lampard, Jay Bothroyd, Carlton Cole, Manuel de Costa, Paul Gascoigne, Armand Traoré, Cristiano Ronaldo, Paul Merson, Tony Cascarino, Stan Bowles, Bobby Zamora, Quincy Owusu, Jack Wilshere, Kieron Dyer, Nicklas Bendtner, David James, Didier Drogba, Juan Verón. Manager: José Mourinho—that was in 2007. Captain: Wayne Rooney—on 1 August 2008. Wayne Rooney was not arrested near Oxford street in London, but he was, according to *The Sun* exclusive, read his rights. All those stories involved footballers, all of them in London. However, when Mr Rooney and Mr Gerrard had run-ins with the police in the north-west, every newspaper had the story, with no scoops for *The Sun*. When Mr Robin van Persie, a London footballer, had an altercation with the police in Holland, *The Sun* was a day later than the rest of the media. Do not be a footballer in London and be in any situation with the police without being charged, if *The Sun* is around.

But this does not just involve footballers. Do not be a police officer, either. On 6 July 2011 a front-page headline read, "Threat to kill dead dogs in car cop". Sackloads of hate mail targeted a sergeant who was a dog handler, in whose car two dogs had, sadly, died. The article said:

"One source said: 'Thousands of letters were arriving'."

[John Mann]

The only possible source for that story was the police—the Metropolitan police. There were dozens of such examples while Brooks was in charge of *The Sun*, all involving the Met—no other police force—doing in their own.

Murder cases are involved too. I have written to Sue Akers about them, and I shall not go into them now, as this is a time to tread delicately around them. Suffice it to say that I am asking her to look into texts to or from murder victims that have mysteriously appeared in the media. Who gave the media those texts? There is a range of cases that the House will be familiar with, but they have not been mentioned in relation to phone hacking. Texts need to be part of the inquiry, not least those that appear in *The Sun*.

London's celebrities are not just footballers: Hugh Grant, Ms Dynamite, Lily Allen, Peaches Geldof, Adam Ant, Jude Law, Liz Hurley, Rod Liddle, Keira Knightley, Leslie Ash, Elliott Tittensor, Mohammed al-Fayed, Woody Harrelson, Joe McGann, Christian Bale, Sean Bean and Mike Tindall; it could even be someone marrying the Queen's granddaughter. They are all in London. If you want to have a car crash, have it outside London. If you want to have a drink and an issue with a photographer, have it outside London. If it happens in London, someone in the Met will be handing over or selling your information to *The Sun*.

Relatives of the famous are affected too: John Terry's father, Cristiano Ronaldo's cousin, Ashley Cole's brother, Jermain Defoe's brother, Sadie Frost's sister, Tony Blair's son, Patricia Hewitt's son and Nelson Mandela's grandson. On 4 November 2005 *The* Sun exclusive was Steve McFadden and Angela Bostock: police officers were there at the time. On the same day, Detective Constable David Dougall, a Scotland Yard officer, was convicted of selling information to *The Sun*. Why has that case, including the comments of John Ross, who bought the information, not been made public? The police dropped their investigations against *The Sun* because, Ross believes:

"It would have revealed a lot of conversations between Mike"—

Sullivan, *The Sun*'s crime reporter—

"and senior officers and they didn't want to open that can of worms."

Giving evidence on behalf of Ross were Sky News crime correspondent Martin Brunt and others. In the *Press Gazette*, Sullivan kindly put his diary—

Mr Deputy Speaker (Mr Nigel Evans): Order.

5.42 pm

Anna Soubry (Broxtowe) (Con): It is always a great pleasure to follow my fellow Nottinghamshire MP, the hon. Member for Bassetlaw (John Mann). Only two weeks ago we held a similar debate, although it seems much longer, and much has changed since then. Like many Members, I was struck by the desire on both sides of the House that we work together in the spirit that was properly and well outlined by the hon. Member for Rhondda (Chris Bryant), who talked about the need for honesty and courage.

I congratulate the Prime Minister on his statement and his speech today. I certainly took the view that courage and honesty were the major words underpinning his speech. I hope that on both sides of the House we continue to speak courageously and with honesty about the mistakes made in the past so that we learn from them and, as the Prime Minister said today, that we take this golden opportunity—the opportunity of a generation—to clean up our media and our police and the way we do politics.

As ever, time is against me. I do not want to speak for too long, and in any event I shall probably not be allowed to. I am pleased that the terms of the inquiry include all the media. The right hon. Member for Bath (Mr Foster) was concerned that the inquiry might be used to knock the BBC. The point being made from the Conservative Benches is that there has been concern that the BBC is in some way in a privileged position. In my view, competition in all sections of the media, notably in broadcasting, means that we have better and much healthier media.

I declare an interest. Before I returned to the Bar, I worked for Central Television for many years, so I am a passionate fan of ITV. I know its value, especially as a genuine and true alternative to the BBC. It did a great job in regional news. It is also worth reminding the House of the figures. About 5 million people watch the BBC's "Ten O'Clock News". Invariably, fewer than 200,000 watch Sky, but 2.5 million people watch ITV's news at that time. Those who are in real competition are the BBC and ITV. Long may that continue. I know that the Secretary of State for Culture, Olympics, Media and Sport has been in consultation about the sort of changes that ITV wants so that they are on a level playing field. I urge him to consider them, because I know that ITV wants to reinvest money in British television, which is good for our economy.

ITV also wants to encourage regional news. At least two other Members here, perhaps more, from the east midlands will have seen the demise of Central news in recent years. The right hon. Member for Leicester East (Keith Vaz) and the hon. Member for Gedling (Vernon Coaker) are nodding in agreement. In the good old days it was an equal fight between the BBC's "East Midlands Today" and "Central East". Now, as the right hon. Gentleman and others know, "Central East" compromises a 10-minute opt-out, with the news coming from Birmingham. We want to revert to good healthy competition.

Good, healthy competition throughout our media means that people have real choice. We must never forget that, at the end of the day, the people who can determine the future and enable our media to be cleaned up are those who choose whether to buy, to tune in, to use the internet for news, and so on. I made the point two weeks ago, but it is worth making it again: we should urge people not to buy newspapers that breach all the codes. Never mind the written codes: people do not need a code to tell them that they should not hack into the phone of a dead child.

Mr David Burrowes (Enfield, Southgate) (Con): My hon. Friend is right to mention the responsibility of the public for their purchasing decisions. It is not just a case of regulation or law, but a cultural issue. Although the public are revolted about people hacking into Milly Dowler's phone and the phones of other victims of crime, why do we have such a prurient interest in other people's private lives? Do not we all have to hold up a

mirror to ourselves and ask why we buy those papers and feed a beast that we now want to slay? Have we not all got questions to answer?

Anna Soubry: I could not have put it better than my hon. Friend has done, and I am sure that we are all grateful for his wise words. He is right. I hope that we will seize the opportunity as a people to change our culture and values. As my hon. Friend says, we should think much more carefully about why we buy papers and enjoy looking at some of the photographs in them. I include celebrities, because it is not fair to say that they, or indeed Members of Parliament, should somehow be outside the code governing the way in which people should operate. When looking at certain photographs, we should think, "That must have been a gross intrusion into that person's privacy; a long lens must have been used. I won't buy that newspaper."

As I said in my question to the Prime Minister earlier, a process of cultural change needs to happen. It involves not just people and the papers they buy, but the way in which the media and the press operate today. That process can begin today. That is why, as has already been said, we should ensure that our police officers no longer divulge details about people who have been arrested. Papers should not print such details or behave in the grossly irresponsible and disgraceful manner that we saw in Bristol.

I had hoped to talk about the police too, but I shall simply say that in my view the police should not have any social contact with any journalist. The press play an important part in the work of the police in preventing and detecting crime, but Nottinghamshire police employ five press officers. They do not need to employ that many. Police officers should use the press, but they should not dine and sup with them.

5.48 pm

Clive Efford (Eltham) (Lab): I believe that I am the first London Member from the Opposition Benches to speak in the debate. That is unfortunate, given the prominence of the Metropolitan police in our discussions, but I hope that my colleagues from London will catch your eye later, Mr Deputy Speaker.

I would like to say a lot, but we are constrained by time at the tail end of our discussion. Suffice it to say that I believe that the power of News International and many other media organisations, as many hon. Members have said, has distorted the way in which politicians and others in public life go about their daily business, but what is wrong is the fact that the ownership of our media is out of kilter. It should not just be an issue about BSkyB and whether News International increases its influence in it; it should be about whether News International is a fit and proper company and should be allowed to continue to hold sway over such a large part of our national media.

In what is left of my time allocation, I wish to speak about the influence of the Mayor of London on the Metropolitan police. I think it was wrong for him to say that the phone hacking issue was "codswallop"—that it was a plot

"cooked up by the Labour party",

that it was

"a song and dance about nothing",

and that he was not going to become involved in the issue, only as far back as September 2010. The Metropolitan police were under pressure from people outside the House and some hon. Members, as we all know, to reopen the investigation and look into the phone hacking scandal. It was bound to influence the views of those police that the Mayor of London, who is supposedly given influence over issues relating to policing matters on behalf of people in London, had already made public statements to say that he did not think such an inquiry worth while—that he thought it was a load of rubbish. It was bound to influence their thinking about whether to reopen that inquiry.

I sincerely hope that the Leveson inquiry will look into that fact, because it will be an important factor in whether we decide to go forward with elected police commissioners throughout the country, because when the Government advocate elected police commissioners, they always use the Mayor of London as an example. Well, actually, the Mayor of London is accountable to the Metropolitan Police Authority for what he does with the police. The members of the MPA have a great deal of influence in London, and it is a democratically based body, with other co-opted members to make it broadly representative of London. We are diluting the influence of the MPA and converting it into a panel. We are not giving it any teeth whatever to enable it to have oversight, and we are placing all the influence and power in the hands of a directly elected Mayor or his appointed deputy Mayor.

The problem that we have faced is the over-burgeoning power of the media and their ability to twist and manipulate individuals, particularly politicians at times. I would stand here and criticise the former leader of my party for going halfway around the world to pay court to Rupert Murdoch—I made that criticism openly at the time and I do so now—but that is because those individuals' power has been too great. We have seen the tentacles go deep into the Metropolitan police and into our political life. We have officers who are now probably facing prison because they were corrupted by journalists throwing money around; we have politicians who have been too close and embarrassed themselves by their relationships with the media. It is extremely corrupting.

The Mayor of London said that this matter was "codswallop" only days after the article appeared in *The New York Times* which resulted in the reopening of the Metropolitan police inquiry. So we have to look at how the Mayor has been influenced by the media and the way he has used the media.

John Mann: Would my hon. Friend be astonished to learn that one of his constituents, as a police officer in 2005, received a suspended jail sentence for selling information to *The Sun* for a mere £200? Does that show how endemic the problem has become?

Clive Efford: I think it does, and it shows why Parliament was recalled so that we could have this debate. I am sure that that police officer, for that small sum of money, seriously regrets his judgment, but what underlies such transactions is the power of the media to suggest that their influence stretches so far that they are not accountable, and will never be accountable, because they are under the umbrella and shield of our protection because they think themselves so great and so mighty. The fact that

[Clive Efford]

Rebekah Brooks thought she could walk into Parliament and say, "Yes, we pay the police," and walk out again without being held to account for it was an absolute disgrace. The Met must never return to that again.

The Mayor of London, however, used his influence to try to stall the inquiry. His reasons for that will have to come out as these matters are investigated, but without question his attitude to the investigation into phone hacking could only have had influence on the thoughts and decisions of the police, and that must be investigated.

5.55 pm

Oliver Heald (North East Hertfordshire) (Con): My old friend the hon. Member for Eltham (Clive Efford) is right in one respect: there are faults in all parties in the House and successive Governments in not tackling this issue early enough. However, I completely reject his criticism of the Mayor of London, because the Mayor's comments predate the most recent allegations.

Clive Efford: Will the hon. Gentleman give way?

Oliver Heald: No, I will not, because I have so little time. That is the way it is tonight.

I shall make three points. First, people in this country have a fundamental right to live under the rule of law, but Members on both sides of the House must look back on this period and ask themselves this: did we uphold the rule of law? As the hon. Gentleman said, journalists felt that they could break the law willy-nilly, and people felt that they could talk to Select Committees about breaking the law, and nothing would happen. That is a failure of this Parliament over a period of time to uphold one of the basic rights of our people.

That is why it is right that the Prime Minister has agreed to a full, judge-led, independent inquiry, and why it is right that we have a proper police investigation under Sue Akers to go after the evidence. Our Select Committees did a good job yesterday in showing that even the most powerful people in the land, and even the world, can be questioned before a Select Committee just like anyone else. That is how it should be in our country. People should not feel that they can get away with it.

Let us ask how we got into that position. Many hon. Members have said that after 1992, Labour politicians were desperate for the good opinion of the media. They went out to the Canary Islands and all sorts of places—*[Interruption.]* They went to the Cayman Islands and Australia too. They were out to curry favour with the media regardless. The combination of currying favour with the media and the sofa-style government that we had under Tony Blair meant that we ended up with the sort of situation that was described by my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), who said that the Attorney-General was told in a letter from the police that a vast quantity of private information and criminality needed investigation, but nothing happened.

How did that happen? It should not have been possible, and there should have been a report to the Cabinet. The right hon. Member for Blackburn (Mr Straw) said that no such report ever occurred. That reminds us of what the Butler inquiry said about sofa-style government, when there are no formalities. We ended up going off to war in Iraq without members of the Cabinet seeing all the papers. That same, sloppy approach is not the way to run a country. It is right that we have the inquiries, but the House must get together to ensure the proper rule of law.

My second point is that the separation of the criminal justice system from politicians is very important. I was surprised to hear the Leader of the Opposition say that he expected the Prime Minister to be briefed by an assistant commissioner about an ongoing police inquiry. The assistant commissioner actually offered that service to No. 10, but Edward Llewellyn was absolutely right to say no, because we want that separation. The cosiness of the police and the media, and sofa-style government, blurs the formalities that protect our constitution.

Finally, I want to mention the presumption of innocence. When in opposition, it is easy to cast stones and to rely on bits of gossip and speculation as if they are evidence, but in this country, thank goodness, we have a fair system of trial with the presumption of innocence at its core. I would not want that to change. All those who throw stones and pretend that someone is guilty just because a newspaper says so ought to think about where that leads. Let us stick up for the constitutional principles of the rule of law and the separation of powers, and let us ensure that we continue to have fair trials.

6 pm

Barry Gardiner (Brent North) (Lab): We heard yesterday from people who said that they did not know about hacking and that they did not authorise payments for it. It is extraordinary that those executives did not take their responsibilities for corporate governance seriously enough to determine who did know about hacking, who authorised it and who paid for it. This question is not just for the House, but for the shareholders of News Corp and News International. How can those shareholders have confidence in a management who, six years on, have failed to find out those simple facts and to hold people to account?

The £500,000 settlement to Gordon Taylor was discussed at the time by James Murdoch and Rebekah Brooks in a meeting with other officers of News Corp and News International. They were discussing a payment to someone who was the victim of the company's illegal practices, so the House must consider whether it is at all credible that at that meeting James Murdoch did not put one simple question: why do we have to pay this money? Any chairman would want to know the full details of why he was being asked to make such a payment, so of course he was told the details of the breaches of privacy suffered by Gordon Taylor and others. However, any semi-conscious corporate lawyer would ask a further question: what is the full extent of our liability? When James Murdoch asked that question, it is inconceivable that he would have accepted anyone answering, "We don't know," or, "We haven't bothered to find out," yet in effect that was the response that he and his father gave to the Culture, Media and Sport Committee yesterday. Had he received such a response, I think that his answer would have been swift and sharp.

If the House accepts that that question must have been asked and then fully and honestly answered, it follows that James Murdoch knew that Jon Chapman

and Daniel Cloke had full knowledge of the extent of the phone hacking because, of course, they reviewed the files given to Harbottle & Lewis. James Murdoch told the Select Committee that he did not tell his father about the £500,000 payment to Gordon Taylor until after it had been made in 2009. He did not explain why he had failed to tell his father that he knew what Chapman and Cloke knew, namely that widespread hacking and illegality had taken place, and that that was why they had to buy Gordon Taylor's silence.

The files at Harbottle & Lewis are crucial. Yesterday, James Murdoch told Parliament that the actions of News Corp did

"not live up to the standards that our company aspires to, and it is our determination to put things right",

yet News Corp has refused to allow Harbottle & Lewis to release those documents to the police. Being determined "to put things right" starts with releasing those files.

Why, in 2009, did Deputy Commissioner Yates decide that there was no new evidence in *The Guardian*'s revelations about the hacking of Gordon Taylor? Mr Yates has been at pains to insist that this was not a full-scale review. I accept that, but it takes not even eight minutes, never mind eight hours, to appreciate that the reason there was new material evidence was that a royal correspondent—the subject of the original investigation—would not have been doing an investigative story on the chief executive of a football association. In other words, that gave the lie to the widespread assumption that this was just one rogue reporter.

Keith Vaz: Sir Paul Stephenson's evidence yesterday stated that Mr Yates was put under no time limit, so if he had needed more than eight hours, he could have had it.

Barry Gardiner: I am grateful to my right hon. Friend the Chair of the Home Affairs Committee, who has carried out excellent work on this, for that comment. My point is that Mr Yates did not need even eight hours. He needed eight minutes, because all he had to consider was the central fact that the latest information in *The Guardian* revealed that there was not one rogue reporter, but more than one.

Paul Stephenson, in his resignation statement, made a distinction between his appointment of Mr Wallis and the Prime Minister's appointment of Mr Coulson. A distinction has repeatedly been made in the House by the Home Secretary and others, who have tried to say that an important line has to be drawn between the investigated and the investigator. I agree: that is absolutely right, but it is equally right and it is of fundamental importance in our debate about public confidence in the media and the police that we should consider public confidence in the Government and in the Prime Minister. If there is a proper line between the investigator and the investigated, there should be a proper line between the law maker and the law breaker.

6.6 pm

Mr Robert Buckland (South Swindon) (Con): There have been many constructive and thoughtful contributions to the debate. The tone that we need to strike, and which, in the main, has been struck, is one of great humility. There is nothing worse than the British Parliament having a periodic fit of morality, particularly bearing in mind the context of the debate and the disastrous cocktail of criminality and neglect that has resulted in appalling acts committed as long ago as 2003 coming to light in only the past few weeks. That should be the tone of our remarks, and we should remember that the vast majority of the police and of journalists are doing their best. They do a good job. A small minority in both cases have, unfortunately, brought both professions into disrepute.

Much has been made of the Harbottle & Lewis file, and the assertion of legal professional privilege. My understanding is that privilege would apply to correspondence between solicitor and client, but that if third-party documents disclose the furtherance of a crime, for example, they would not be subject to such privilege. The truth—I have not seen the file, and I do not know what it contains—is probably that there is a case for a thorough review of the file to ascertain whether privilege can be asserted by its owner, News International. If documents in the file clearly disclose the furtherance of a crime, they should be disclosed. My strong advice to News International is that if the spirit of the Murdochs' evidence yesterday is to be followed through, disclosure of the file would be in their interests and the wider public interest.

The events of the past two weeks have caused us to focus on phone hacking, but the spectrum is much wider than that. Only a few months ago—perhaps even more recently—we were looking at super-injunctions and privacy, which are part of that spectrum. At one end are people, usually with fame and means, who can assert their privacy by the use of injunctions and occasionally super-injunctions. At the other are ordinary members of the public—innocent people—who are living quietly and getting on with their lives, sometimes subject to tragedy, who find themselves at the butt-end of criminality and abuse by powerful media operations.

Bob Blackman (Harrow East) (Con): We must also consider something else that has not been raised in our debate. Does my hon. Friend agree that communications companies have a role in ensuring that communications are kept secure so that people who wish to transgress and break the law cannot do so?

Mr Buckland: Absolutely right. I am grateful to my hon. Friend for making that point.

There is a sense of something old and something new about this debate. The old aspect of it is the ever-present role of the press baron in our public life. A hundred years ago it was Lord Harmsworth, then it was Beaverbrook, then Maxwell and Murdoch in latter times. That is not new. It is lamentable and wrong, and the House seems to agree that it is time for a change. I welcome that.

There is also something new—the unprecedented vulnerability of private data. Information is the new valuable property of the modern age. We have spent our years guarding our homes and our possessions against theft and burglary, but have forgotten and neglected the sometimes even more valuable private information that can be used in a way that can seriously prejudice the lives of ordinary people. My hon. Friend is right to mention communications companies and the ease of access that there seems to be to telephone data and other personal information. That is wrong, and there is now an historic opportunity to get things right.

[Mr Buckland]

I welcome the judicial inquiry, and I remind the House that we have set up a Joint Committee of both Houses to look at privacy, super-injunctions and the future role of the Press Complaints Commission and the media in that context.

Mr Cash: Is my hon. Friend aware that the terms of reference of that Joint Committee refer to media regulation as a whole? We therefore need to concentrate on that in relation to the inquiry as well, as set out in part 1, paragraph 2(b) of the terms of reference.

Mr Buckland: I am grateful to my hon. Friend. He makes the point that I was about to make. There is a link. There is a direct role for both Houses of Parliament through the Committee to do some valuable work to produce recommendations for changes to media regulation. The Committee has been set up and will report by the end of February 2012. We have an opportunity as parliamentarians in the Chamber and in Committee to make constructive and proper proposals.

I was interested in the suggestions and observations of the Leader of the Opposition earlier about the form of some of the changes that could take place. He rightly talked about redress of grievance. The question is how we build that. If it takes the form of damages, we have to think about how that will be funded. Will there be a contingent fund organised by the newspapers and the media? We must bear in mind that for all the big beasts in the jungle, there are small local newspapers that are struggling to make ends meet. We must be mindful of the ability of the industry to fund a proper system of damages. The right hon. Gentleman and the Prime Minister are right to emphasise the need for a new regulatory body to have teeth and to give ordinary people the chance to see their grievances properly redressed.

For far too long, it has been a case of the big beasts of the jungle trampling over the rights of ordinary people. I do not say that in a spirit of arrogance or anger. I say it in a sense of deep humility and sadness that we have reached this stage in our public life. We have an opportunity. Let us seize it together.

6.13 pm

John McDonnell (Hayes and Harlington) (Lab): I shall be brief. I make a plea to put an item on the Leveson agenda. As a result of the work of the Prime Minister and the Leader of the Opposition, Leveson will be looking at the ethics of journalism. There have been calls in the House today and throughout the debate over the past three weeks for greater adherence to the Press Complaints Commission code of conduct.

The commission's code of conduct is based on the National Union of Journalists code of conduct, which was first developed in 1936. Every NUJ member has to sign the code when they become a member of the union. It is policed by the ethics council, and there is an ethics hotline to advise journalists. The code includes the principle that a journalist

"strives to ensure that information disseminated is honestly conveyed, accurate and fair".

Journalists must obtain their material

"by honest, straightforward and open means"

and do

"nothing to intrude into anybody's private life, grief or distress unless justified by overriding consideration of the public interest".

There is also a conscience clause in the code of conduct, which says that

"a journalist has the right to refuse an assignment or be identified as the author of an editorial that would break the letter or spirit of the code."

Where the NUJ is organised, that code has worked.

Some Members will remember when, back in 2006, the *Daily Star* tried to produce a racist front page, but the workers, backed by their union and Members on both sides of the House, refused to publish it because of the damage it would do to community relations. The code of conduct did not work at News International because the NUJ was cleared out. News International used a loophole in the law. It set up the News International staff association, which was not certified as an independent union by the Government's certification officer, yet it was still used to argue that there was a pre-existing union agreement, so the NUJ was not recognised. As a result, the journalists were not protected by a union.

We heard the description of the working atmosphere in Wapping—the bullying, the victimisation and the pressure put on journalists to produce material by whatever means. Someone described it as the development of a culture of sewer journalism. The House was warned. In 2004, when the Government were considering the last but one employment Bill, the NUJ briefed us all and urged us to introduce a conscience clause that would enable journalists to be protected when they refused to do anything against the code. That was rejected. I moved the amendment at the time, but it was rejected. The argument made by the previous Government was that it went

"too far in constraining employers."—[*Official Report*, 29 March 2004; Vol. 419, c. 1364.]

It was opposed by Members on both sides of the House.

We were warned again by the NUJ, though. It came back in 2009 to present evidence to the Culture, Media and Sport Committee. It urged the Committee to reconsider the introduction of a conscience clause that would protect journalists standing up against bullying employers who sought to introduce work or material into their work that was against the code of conduct. The Committee ignored that evidence and request, however, and made no recommendation on it. I urge the Leveson inquiry to examine the introduction of a conscience clause backed by statute to protect journalists who refuse to go into the sewer and use the methods that we have all condemned in these recent debates.

Julie Hilling (Bolton West) (Lab): Does my hon. Friend agree that the public largely believe what they read in the newspapers and what they see on the television and internet, and that one of the most important things that can come out of this whole sorry affair is a media that now tell the truth?

John McDonnell: I think that we will arrive at that situation only if we enforce the code of conduct and if journalists and employers know where they stand and that, if they breach the code, journalists can stand up and be protected in law if they refuse to practise the sort of journalism we have seen recently. The Leveson inquiry

should consider anti-trade union legislation, which has been used to undermine employees' rights at places such as News International when unions have tried to protect members who have simply stood up for quality and ethical journalism.

6.18 pm

Jeremy Lefroy (Stafford) (Con): There are a number of things that need to be done to restore public confidence in the media and the police, and many right hon. and hon. Members have touched upon them. We need to investigate without fear or favour—indeed, the Government have announced such an investigation—and, as the hon. Member for Rhondda (Chris Bryant) said, we need people at the top of their organisations to take responsibility. I shall touch on that in a moment. Finally, we need to underline the important work that the press and the police do, day in, day out, in our constituencies up and down the country—certainly in mine.

I have a particular interest because I lived for a number of years in a country that was a one-party state. The press had no chance to criticise, there was a lack of investigative journalism and, frankly, the newspapers were extremely dull. The police faced operational interference from politicians, they were often corrupt and there was a lack of attention to the needs of ordinary people. Let us reflect, then, on the wonderful things we have in this country and compare them with what many around the world have. It is a matter of pride that we have a press that by and large do an excellent job and police forces that do the same. However, freedoms are hard-won and easily given away.

Along with freedom, as the hon. Member for Rhondda (Chris Bryant) so eloquently said earlier, we need responsibility. That is at the heart of this debate. The public know that all of us—politicians, police or press—are not angels. They realise that there are always individuals who will do wrong. However, what I believe they want to see is leaders taking responsibility for their actions and those of the people who work for them. Ultimately, public confidence rests on those in power taking responsibility. That means a number of things that have been reflected on throughout the debate. It means first that the systems in organisations have to be correct; secondly, that the standards and culture of an organisation have to be true; and, thirdly, that integrity is required from those in positions of leadership. I pay tribute to the Commissioner of the Metropolitan police for the integrity that he showed this weekend.

I want to reflect a little on how the press could examine themselves from time to time. In my constituency we have of course had the tragedy of Stafford hospital, and recently there was an article in *The Sunday Times* that was generally well researched and balanced, but for which the headline was "The killing wards". There was no killing going on there. There was neglect, and there were deaths. The reflection, whether conscious or unconscious, of the film of 20 or 30 years ago about the Cambodian genocide, was very unfortunate. As my hon. Friend the Member for Suffolk Coastal (Dr Coffey) said earlier, newspapers need to reflect carefully on the headlines they use.

That is why I welcome what is happening now and the investigations. They show that those in positions of leadership are beginning to take up their responsibilities. I say "beginning" because only by people taking fully on board their responsibilities as leaders of organisations and, as the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) and others have said, knowing what is going down right at the bottom of their organisations, will the freedoms that we all cherish be preserved.

6.21 pm

Yasmin Qureshi (Bolton South East) (Lab): For many members, there have been many defining points in the past two weeks. For me there were two such moments. One was when we heard about what had happened to the Dowler family, and the second was yesterday when Rupert Murdoch said to the Culture, Media and Sport Committee that he was something along the lines of "fed up" and wanted Prime Ministers to leave him alone. That sent a shiver down my spine, and I am sure that other Members must have found it incredibly uncomfortable as well.

I want to thank my hon. Friends the Members for West Bromwich East (Mr Watson) and for Rhondda (Chris Bryant) for their tenacity in the past few weeks and for pursuing the matter for many months. I also wish to thank the leader of my party for asking for a judicial inquiry and an inquiry into the police activities, and of course the Prime Minister for agreeing to hold those inquiries.

They say that, sometimes, good comes out of a tragedy, and the good here seems to be that we can now look properly at some of the distasteful and illegal activities carried out by certain sections of our media over a number of years. Many Members alluded to the fact that it is not just News Corporation that has carried out such tactics.

I believe in a free press, as I am sure all Members do. It should be free to investigate and expose wrongdoing, however embarrassing it might be to the individuals in question. What people rightly get upset about is when complete lies are printed in the media and the retraction appears in two lines at the back of the paper, as in the recent case of Mr Chris Jefferies, who was arrested and released by the police in relation to the murder of Joanna Yeates. The media headlines basically had him tried and convicted.

Such vilification also applies to many different ethnic, racial, religious and cultural groups. Often, the media attribute statements or actions to those groups that are complete lies. All that does is encourage bigotry.

Robert Flello (Stoke-on-Trent South) (Lab): I am enjoying my hon. Friend's impassioned speech. Does she join me in thinking that when the worst elements of the media attack people and put forward ideas that they have committed crimes when they actually have not, one of the biggest groups of people who are damaged are the victims of crime?

Yasmin Qureshi: I entirely agree with my hon. Friend. The lies can often lead to phobias and bigotry against different groups of people. For example, the onslaught on asylum seekers led to an increase in the number of assaults on them, and that level of bigotry also extends to other groups.

The confidence of the public will be restored only when an independent, regulated press complaints body with proper powers comes into being. The powers should

[Yasmin Qureshi]

include the power to call for remedies to put right the harm that has been done. For example, when someone has had their reputation tarnished because lies have been told about them, exemplary damages should be considered. More importantly, an equal amount of space and time should be given to the printing of a retraction as was given to the creation of the original story.

Stephen Pound (Ealing North) (Lab): I am following my hon. Friend's argument closely, as is the whole House. Does she agree that there are few things in life more utterly scandalous and indefensible than, when the press foully traduce an individual and are proved to have lied, they print an apology on page 64 underneath the gardening tips? Should not the apology be of equal prominence?

Yasmin Qureshi: My hon. Friend has just taken my next sentence from me. I was going to say that if two front pages are given to a story that is a lie, two front pages should be given to the retraction.

We do not expect the media to be politically balanced; nor do I ask for that. What everyone in the House and the country wants is for the media to print the truth, not lies. We do not want to gag the media. We want them to carry out investigative journalism, and to expose wrongdoing. We want them to search and to quest for the truth, but we want them to print the truth as well. This is what the big debate has been about. Over the course of the years we have had examples such as the Watergate scandal, and the media have on many occasions been a force for good. They have held many people, corporations and Governments to account, and it is right that they should do so. No one here is suggesting that when we talk about regulation of the press, we are talking about preventing it from carrying out proper investigations. We are, however, concerned about the despicable and illegal means used to carry out some of the investigations, and about the printing of lies. Like many other Members, I have been following the debate for the past two weeks, and I am glad that there are now going to be investigations. I hope that the commissions will report very soon.

6.27 pm

Richard Fuller (Bedford) (Con): Many hon. Members have referred to the strength of the media, but we should recognise that the corollary of that is the weakness of politicians. Many people want to see an end to the cosy relationship between the media and our most senior politicians. They want to know that the Prime Minister is his own man, or her own woman. We recognise that that cosy relationship has grown up over the past 20 years, but most particularly under the premierships of Mr Blair and the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). The present Prime Minister has now called time on those arrangements, and he is absolutely correct to do so.

That cosy relationship is not in the British tradition. In fact, it is more of a European tradition. Let me give two quotes to illustrate that assertion. Napoleon said:

"Four hostile newspapers are more to be feared than a thousand bayonets."

The Duke of Wellington said, "Publish and be damned". What the public want to see from their Prime Ministers is more of that Duke of Wellington spirit, and I am pleased to see that our Prime Minister gets that. The truth is that it was not *The Sun* "wot won it"; it was the political arguments that won the case in 1992. It was a conceit on the British public to put the press in such a powerful position.

I am very grateful that the Prime Minister is now setting the direction of greater accountability. The Leader of the Opposition, who is back in his place, mentioned that one of the important issues was for people in positions of power to protect those who are not. He is a powerful man—the leader of the Labour party—so will he use his position as party leader to call for his two predecessors to contribute fully to the inquiry on the media? Will he ask and persuade them to release all the records of their meetings when they were in office as Prime Minister, so that we can get a full and transparent disclosure of this overly cosy relationship?

What the people want is to move away from a culture of deniability to one of accountability in our institutions. It is not sufficient to say that we do or do not have the right governance procedures in place. The public can see that there is a difference between knowing something is wrong, and allowing a culture in which bad things take place without their knowledge; they know they are different, but they know they are both wrong. They know that if we create a culture whereby we put pressure on people to provide results and do not ask them how they got to those results, that is wrong, and we need to change that. The executives in all our institutions in the media need to understand that.

If we can get those two things right, by ending this cosy relationship, as the Prime Minister rightly said today, and by creating a structure in which responsibility and accountability are to the fore, we will have had a good day in Parliament.

6.31 pm

John Hemming (Birmingham, Yardley) (LD): Obviously, I will have to truncate my speech greatly. We recognise that there has been a cover-up going on, and we have to look at whether it is too easy in this country to cover things up. I want to consider a couple of other examples of cover-ups, and then look at how the rules for judicial review could be changed. I will try to get it done quickly, so that the hon. Member for Stourbridge (Margot James) can speak.

Abertawe Bro Morgannwg University Health Board employs Dr Paul Flynn, a consultant obstetrician and gynaecologist. From 2002 to 2005, he performed over 100 operations on cancer patients against national guidelines. Concerns about Dr Flynn had been passed since 2003 to Dr John Calvert, the medical director who had hired him. However, Dr Flynn was only prevented from treating cancer patients in May 2005, after six surgeons complained directly about his poor respect of tissues, questionable knowledge of anatomy, lack of appreciation of what is on X-rays, and lack of a realistic surgical approach to cancer.

That is very much like the situation with the *News of the World*: there is a very serious problem and the management's response, rather than to put their hands up, is to go for a cover-up. Rather than tell patients that

they had been operated on by an untrained surgeon, the trust spent over £375,000—the equivalent of 20 nurses' salaries—on gagging the original whistleblower, Dr Ihab Korashi, who was threatening to contact patients and expose what is a cover-up. Unlike the News International case, in this instance the court hearings were held in secret and held no fear for those who wished to keep the truth from public view.

Dr Korashi had reported his concerns to South Wales police—so we have a similar problem with the police—and the regulator, but the police ignored CPS advice that officers should pursue further lines of inquiry. The sad situation is that his wife, Dr Toulan, who was also a gynaecologist and suffered from cancer, wrote to the trust's chief executive in March urging them to tell patients and relatives "the truth". The response of the trust's lawyers was remarkable. They said that patients would not be informed and served Dr Toulan, while she was in hospital, with an injunction, warning that she could go to prison if it was broken. She died from cancer 10 days ago.

What we have here is an example of a cover-up, and we need to change the rules so that ordinary people can challenge the state and successful companies. News International could have got away with all this if somebody had not taken the chance of taking it to civil proceedings. There are big cost risks associated with that. We also need to review the costs rules, particularly at the permission stage for judicial review, so that people can challenge public authorities without taking major risks.

I will now sit down, so that the hon. Member for Stourbridge can speak.

6.34 pm

Margot James (Stourbridge) (Con): I am most grateful to my hon. Friend the Member for Birmingham, Yardley (John Hemming). Let me make two points. First, some terrible things have happened and I welcome the Prime Minister's statement and his resolve to sort these things out. I am also grateful for his assurance about protecting investigative journalism and the free press. Our free press has unearthed, over time, miscarriages of justice, the misappropriation of public money, and abuse and lawbreaking on a grand scale. I remind hon. Members that a few weeks ago we were in here debating the tragic Winterbourne View case. The BBC Panorama team's work on that had to involve false documentation, misrepresenting one of their journalists as someone else, and going in to film secretly. How else would we have known about that terrible situation? I am delighted about that.

Bill Esterson (Sefton Central) (Lab): Will the hon. Lady give way?

Margot James: If the hon. Gentleman does not mind, I will not—the wind-ups start in one minute.

My second point concerns the Culture, Media and Sport Committee session yesterday. There are lessons to learn from the Enron case about wilful blindness and when a company's leadership could have known, should have known and sometimes chose not to know. I have worked in such environments at times in my career: there was an awful business of senior leadership turning a blind eye and the management thinking they could get away with things. Instead of that, we should have a culture in the media in which organisations' boards and leaders really look to their journalists to abide by the regulations.

6.36 pm

Mr Ivan Lewis (Bury South) (Lab): The gravity of the issues we are debating cannot be overstated. They raise fundamental questions about our society and our democracy. A story-at-all-costs, no-limits culture at one newspaper and almost certainly beyond started as a means of getting private information about public figures and culminated in the tragedy and horror of Milly Dowler's phone being hacked, with yet more unspeakable suffering for her family. If nothing else, we owe it to them to make sure that that can never happen again. We have seen failures of corporate governance on a scale that continues to beggar belief and an initial police investigation that failed to meet even the most basic standards of professionalism. With the honourable exceptions of my hon. Friends the Members for West Bromwich East (Mr Watson) and for Rhondda (Chris Bryant) and the former Deputy Prime Minister, politicians have, frankly, been too timid in the pursuit of the truth.

Over the past two and a half weeks, Britain's newspaper with the largest circulation has been shut down, the BSkyB deal has been abandoned, senior journalists and executives from News International have been arrested and yesterday two Select Committees of this House held evidence sessions that humbled the most powerful media proprietor in the world and forensically examined the issues surrounding the resignation over the weekend of two of the most senior officers at the Metropolitan police. I pay tribute to the Chairs of those Select Committees, my right hon. Friend the Member for Leicester East (Keith Vaz) and the hon. Member for Maldon (Mr Whittingdale), who enjoy respect on both sides of the House for the independence and integrity with which they fulfil their responsibilities.

As my right hon. Friend the Leader of the Opposition said at the beginning of the debate, we welcome the appointment of Judge Leveson and support the terms of reference for his inquiry. The priority for us all has to be to rebuild public confidence and trust in the newspaper industry, police and politicians—three key pillars that determine the nature of our democracy and the character of our country. That will happen only if we learn the big lessons from this scandal. Those guilty of criminal conduct must be brought to justice, a new independent regulatory system must be created for the newspaper industry and new rules on media ownership are needed to ensure that no single private media company can have excessive market and democratic power.

On newspaper regulation, my right hon. Friend the Member for Blackburn (Mr Straw) is right to highlight that a choice between self-regulation and state regulation is a false choice. We need a system with greater independence, more investigative powers and serious redress, including compensation. A new media framework will have to respond to the challenges of a digital age, which is revolutionising consumer choice and challenging existing business models. As the right hon. Member for Bath (Mr Foster) said, public interest must include not simply plurality but also market power. In future, the application of a fit and proper person test should be as much about corporate governance as about criminal conduct.

[Mr Ivan Lewis]

On lessons for the police, we welcome the announcement of the measures in the Home Secretary's statement on Monday that we had recommended, but we think she should have gone further. She needs to call for immediate openness and transparency across the Met in respect of all dealings between senior officers and members of the press, including those at News International. The urgency of that was reinforced by the comments of my hon. Friend the Member for Bassetlaw (John Mann) today. We also need her to review her decision to go forward with elected police and crime commissioners. As my hon. Friend the Member for Eltham (Clive Efford) stated, the Mayor of London provides ample evidence of the risk that they pose to independent policing. We need total transparency about the relationship between senior media figures and the police and the same must apply to the relationship between the media and politicians. Only then will people believe that we are acting in the public interest at all times without fear or favour.

The Prime Minister, whom I am pleased to see in his place, has become embroiled in a tangled web entirely of his own making and still appears to be unable to give straight answers to reasonable questions. I wrote to him on 1 March asking a series of questions about his involvement in the BSkyB acquisition, but I am still to receive a satisfactory response. Yesterday, I should have received answers to parliamentary questions on the same issues, but I am still waiting for them. We now know that my hon. Friend the Member for West Bromwich East had a similar experience with the Prime Minister. Is it his policy not to reply to letters that ask him difficult questions? Or perhaps that is the responsibility of his chief of staff.

As regards Andy Coulson, the Prime Minister has said all along that he received no additional information about serious allegations against Mr Coulson, yet today he acknowledged being aware of the article in *The New York Times* that revealed significant new information. We are also aware that the Deputy Prime Minister raised serious concerns about Mr Coulson directly with the Prime Minister. In the interests of transparency, surely the nature of the Deputy Prime Minister's concern should now be made public.

The Prime Minister's introduction to his new ministerial code, which was launched amid great fanfare after the election, promising a more transparent Government, stated:

> "We must be...Transparent about what we do and how we do it. Determined to act in the national interest, above improper influence. Mindful of our duty."

The first section of the code states:

> "Ministers should be as open as possible with Parliament and the public, refusing to provide information only when disclosure would not be in the public interest".

If the code is to be worth the paper it is written on, the Prime Minister must lead by example.

I also have questions for the Culture Secretary. When the BSkyB bid was referred to Ofcom by the Business Secretary, why was it referred only on public interest grounds and not on broadcasting standards grounds? Why did he not accept Ofcom's recommendation to refer the bid to the Competition Commission for an independent inquiry? When I called for that to happen, the Secretary of State said it would not be appropriate time and time again, yet last week when he found himself in a corner of his own making, he was quick to get the bid off his desk and into the Competition Commission as quickly as possible.

Mark Reckless: Does the hon. Gentleman not have anything to say about the evidence we heard from my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) about Lord Goldsmith being given a vast array of evidence of criminal behaviour and should questions not be asked about that?

Mr Lewis: The hon. Gentleman is fully aware that the original police investigation was flawed. We now know that we were lied to by executives of News International in the Select Committees of this House. The Press Complaints Commission has accepted that it was lied to by representatives of News International and it is therefore completely disingenuous to hold the previous Government responsible for a failure to act on phone hacking.

Alok Sharma: The facts are clear. The whole House knows that this Prime Minister set up a judicial review and inquiry within a matter of weeks whereas the previous Prime Minister had years to act and did not. Who is showing leadership? I think it is the current Prime Minister.

Mr Lewis: I must acknowledge that the Prime Minister has responded positively during the crisis, every time in response to demands from the Leader of the Opposition, the only leader in this House who has provided true leadership throughout the crisis.

In recent times, we have experienced a global financial crisis and the MPs' expenses scandal and now public confidence in our newspapers and police has been seriously eroded. We have a solemn duty to understand that business as usual will simply not do. As my right hon. Friend the Leader of the Opposition has said, we have no right to claim the mantle of responsibility if we are unwilling to apply that responsibility without fear or favour at every level of society. Let the crisis signal a new beginning where there is no ambiguity that the public interest must always come first.

6.44 pm

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): We have had excellent speeches this afternoon from the majority of Members, who chose not to be partisan but to try to find a constructive way forward so that we can address the problems. Time is short, but I should like to mention some of the excellent contributions made. I start with the superb contribution from my hon. Friend the Member for Maldon (Mr Whittingdale). This is the moment for the whole House to recognise his superb chairmanship of the Culture, Media and Sport Committee. He is probably the hon. Member who, of all of us, has done the most in recent weeks to restore the reputation of Parliament to its proper place. He made an important contribution; in particular, along with my right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes), he urged News International to co-operate in releasing the files that are with Harbottle & Lewis, so that the investigation can proceed to its proper destination.

Mr Whittingdale: I am almost embarrassed by the Secretary of State's praise. I would only say that Select Committees operate as a team, and I am fortunate to have a very strong team on our Select Committee.

Mr Hunt: We have more independent Select Committees in this Parliament, thanks to the decisions taken by this Government, and that has been shown to have been absolutely the right thing to do. *[Interruption.]* Will hon. Members let me proceed, please? My hon. Friend raised the important question of whether politicians should be removed from future decisions on media plurality. There is a difficult tension, because those decisions need to be impartial, and they need to be seen to be impartial. In recent months we have found how very difficult that is, whatever independent reports one gets, and however much we follow independent advice from independent regulators. We need to look at how we get the balance right between the accountability of elected officials and making sure that impartial decisions are seen to be made.

I pay credit to the right hon. Member for Leicester East (Keith Vaz), who has done an excellent job and produced today an excellent but very disturbing report, which talks of a catalogue of failures by the Metropolitan police. What he said about the importance of Sue Akers having all the support that she needs to deal with this very important investigation is absolutely right. He will be reassured by the letter that he has just received, which he kindly showed to me and the Prime Minister, in which Sue Akers says that she has increased the number of officers and staff on the case to 60; that is one of the biggest investigations in the country, and she is constantly reviewing the support that she needs. The whole House will have been slightly amused by the right hon. Gentleman's comment that the breach of security in the other Committee yesterday may have been the result of police officers appearing before his Select Committee.

An excellent contribution was made by my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox). He made a compelling case, and the Prime Minister said to me in the Tea Room shortly afterwards that every time my hon. and learned Friend speaks, the House of Commons gets thousands of pounds-worth of free legal advice. He made a very important point: it appears that in 2006 the Attorney-General may have known about what my hon. and learned Friend described as a vast array of offending material. His case was powerfully backed up by my hon. Friend the Member for Rochester and Strood (Mark Reckless), who also talked about the potentially inaccurate legal advice given by the Crown Prosecution Service. Those are all things that the inquiry will look into in great detail.

The hon. Member for Ellesmere Port and Neston (Andrew Miller) made an important point about understanding, when making any changes to media regulation, that we are in a new media age, and that it is no longer relevant to look at the concentration of power in only one particular platform or type of media; we have to look at how that power extends across different platforms—a point echoed by my hon. Friend the Member for Folkestone and Hythe (Damian Collins), my right hon. Friend the Member for Bath (Mr Foster) and the hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr McCann)—I hope I pronounced that last place correctly.

Among a number of important points, my right hon. Friend the Member for Bermondsey and Old Southwark talked about the "fit and proper person" test. I can confirm that Ofcom applies that test continuously and assiduously. It ruled on a company called Bang Media in November 2010. But I accept that one of the lessons of what has happened in recent weeks is the need for more transparency about how the test is applied, so that the public can have confidence in how it operates. Like the hon. Member for Bassetlaw (John Mann), my right hon. Friend made an important point about the necessity to stamp out completely the whole business of police tip-offs and pay-outs, which has concerned so many people as the issues have arisen.

The right hon. Member for Blackburn (Mr Straw) returned to the question that the Prime Minister addressed continually in his earlier statement about whether there had been discussions about the BSkyB deal. The discussions that the Prime Minister had about the BSkyB deal were irrelevant. They were irrelevant because the person who had the responsibility—*[Interruption.]* If hon. Members will listen, I will answer the question. *[Interruption.]*

Mr Speaker: Order. Members can try to intervene, but the Secretary of State has the floor.

Mr Hunt: They were irrelevant because the person who was making the decision was myself, and I was making it on my own. This was not a matter of collective responsibility. This was a quasi-judicial process. I wish I could take more decisions completely on my own without any reference to the Prime Minister, the Chancellor or other Cabinet colleagues. This is the only such decision I have ever been privileged to make.

Steve McCabe: I do not believe that any discussion that the Prime Minister has is irrelevant. But is the right hon. Gentleman confirming that the Prime Minister did have discussions about BSkyB, and will he tell us who he had them with and what they were about?

Mr Hunt: I will confirm that the Prime Minister had no inappropriate conversations with Rebekah Brooks at any time.

Mr Ivan Lewis: With respect to the Secretary of State, it is never a good idea to contradict the Prime Minister, especially when he is sitting next to you. Will the right hon. Gentleman ensure that the Prime Minister publishes all the details of the discussions that took place with regard to BSkyB, so that the House can make a judgment about the transparency and independence of the process?

Mr Hunt: Will the shadow Culture Secretary be good enough to publish all his conversations with News International about the BSkyB deal? The Opposition should show some transparency, following the example that the Government have set.

The right hon. Member for Blackburn made an important point, echoed by a number of hon. Members, that it is possible to find a system of regulation that is independent and that has teeth. It is not an either/or choice between statutory regulation and self-regulation. There are many combinations used in other professions that can be looked at as models. The important thing is the independence of the regulation.

Mr Straw: I am grateful to the right hon. Gentleman for his endorsement of what I was saying about press regulation. May I take him back to an important statement that he made a moment ago, when he said that none of the discussions that the Prime Minister had had about BSkyB were relevant because he himself—the Culture Secretary—was making the decision? Does the right hon. Gentleman recognise that this is the first occasion in the course of a six-hour debate when there has been any admission that the Prime Minister had had any discussions whatsoever about BskyB? Would it not be for the House to judge whether those were relevant or not?

Mr Hunt: The Prime Minister has said over and over again that there were no inappropriate discussions.

Several hon. Members *rose—*

Mr Hunt: I will make some progress.

As my hon. Friend the Member for Hertsmere (Mr Clappison) said, any considerations of plurality and revisions to the law on concentration of media ownership need to include the BBC, because it is such a major force in broadcasting. That is something that many of my hon. Friends will—

Sir Gerald Kaufman: On a point of order, Mr Speaker. Is it in order for a speaker at the Government Dispatch Box to say one thing at one moment and two minutes later totally deny that he said it?

Mr Speaker: I am afraid I must say that it is in order, and that it has in fact been happening for hundreds of years.

Mr Hunt: Thank you, Mr Speaker.

The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) made some very partisan points about the Prime Minister's chief of staff, but completely failed to mention that the Prime Minister's chief of staff was acting on the advice of the permanent secretary at No. 10—the most senior permanent secretary in Whitehall. The right hon. Gentleman shared with the House the fact that he was in the Oxford university Labour club with Rupert Murdoch, who was apparently expelled for breaking campaign rules. I am surprised the right hon. Gentleman has not considered referring that to Ofcom under the "fit and proper person" regulations.

The hon. Member for Rhondda (Chris Bryant), who has played an important role in the campaign, talked about responsibility for what happens inside corporations —a point echoed by my hon. Friend the Member for Folkestone and Hythe. After yesterday's evidence, many people had questions about how an organisation such as News Corporation could allow such things to happen without the knowledge of the people at the very top. I do not want to prejudge the inquiry, but there are further questions to be answered on that front.

Angela Smith (Penistone and Stocksbridge) (Lab) Will the right hon. Gentleman give way?

Mr Hunt: Time is short, and I need to make some progress.

My right hon. Friend the Member for Bath made an interesting point about the plurality rules in respect of drama and comedy. The hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) made a moving speech and said that the ultimate test of our success as a Parliament—a political class—in getting this right will be whether there is justice for the family of Milly Dowler. Many people would agree.

My hon. Friend the Member for Suffolk Coastal (Dr Coffey) made an important point about the need for social responsibility in the press. Sadly I did not hear the speech of my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley), but I note that he said *The Times* had supported his leadership bid. In the spirit of transparency I am delighted that he shared that information with the House.

Barry Gardiner *rose—*

Angela Smith *rose—*

Mr Hunt: I want to make some progress, because I want to mention all the excellent comments we have heard, including those of the hon. Member for Bishop Auckland (Helen Goodman) about making sure that we do not have the nexus between the police and media organisations that seems to have emerged. Many people feel that it is extremely unhealthy.

We heard good points made by my hon. Friend the Member for Reading West (Alok Sharma). The right hon. Member for Oldham West and Royton (Mr Meacher) talked about the concentration of media power. My hon. Friend the Member for South West Bedfordshire (Andrew Selous) expressed a view shared by many of my hon. Friends: yes, we need to sort out the problem, but we also need to move on and sort out other problems that are of great concern to our constituents.

We heard excellent contributions from my hon. Friends the Members for Broxtowe (Anna Soubry), for North East Hertfordshire (Oliver Heald), for South Swindon (Mr Buckland), for Stafford (Jeremy Lefroy), for Bedford (Richard Fuller), for Birmingham, Yardley (John Hemming) and for Stourbridge (Margot James), and the hon. Members for Bassetlaw (John Mann), for Eltham (Clive Efford), for Brent North (Barry Gardiner), for Hayes and Harlington (John McDonnell) and for Bolton South East (Yasmin Qureshi). I am sorry that I do not have time to talk about all those contributions.

In conclusion, we all know that there are lessons to be learned, but there has been a huge contrast between the intelligent contributions made by many Members and the attempt by Members on the Opposition Front Bench to secure partisan advantage. The problem was not just ignored by Labour in office, it was made a great deal worse, yet listening to Opposition Front-Bench speakers we could be forgiven for thinking that phone hacking happened only under this Government, when it took place under their Government. We could be forgiven for thinking that Labour politicians had never even heard of News Corporation, Rupert Murdoch or Rebekah Brooks, and for believing that it would be inconceivable for an ex-News International employee to work in the office of the leader of the Labour party.

We can all ask ourselves why so little was done, but Opposition Members, too, need to ask those questions. There has not been a spirit of humility. For example,

there was no recognition of the fact that in yesterday's evidence, Rupert Murdoch said that the Prime Minister with whom he had the closest friendship—his wife and the Prime Minister's wife were also friends—was not the current Prime Minister but the former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). It was not just the former Prime Minister, but his predecessor.

Labour Front Benchers fail to understand that when they make partisan attacks, the public will hold them to account for their record—including the Leader of the Opposition, who was a member of the Cabinet that decided to do nothing about phone hacking, and a member of the Government who failed to reform the press despite repeated warnings. He criticised the Prime Minister for ignoring warnings, but how many warnings did he himself ignore?

7 pm

Motion lapsed (Standing Order No. 9(3)).

ADJOURNMENT

Resolved, That this House do now adjourn.—*(Mr Goodwill.)*

7 pm

House adjourned.

House of Commons

Thursday 11 August 2011

The House met at half-past Eleven o'clock, notice having been given by Mr Speaker (Standing Order No. 13.)

PRAYERS

[MR SPEAKER *in the Chair*]

Public Disorder

11.35 am

The Prime Minister (Mr David Cameron): With permission, I would like to make a statement. First, let me thank you, Mr Speaker and right hon. and hon. Members for returning. When there are important events in our country, it is right that Parliament is recalled and that we show a united front. I am grateful to the Leader of the Opposition for the constructive approach he has taken over the past few days. I have tried to speak with many of the Members whose constituencies have been affected, and I would like to pay particular tribute to the right hon. Member for Tottenham (Mr Lammy) for his powerful words and actions over recent days.

What we have seen on the streets of London and in other cities across our country is completely unacceptable, and I am sure that the whole House will join me in condemning it. Keeping people safe is the first duty of Government. The whole country has been shocked by the most appalling scenes of people looting, violence, vandalising and thieving. It is criminality, pure and simple—and there is absolutely no excuse for it. We have seen houses, offices and shops raided and torched, police officers assaulted and fire crews attacked as they try to put out fires. We have seen people robbing others while they lie injured and bleeding in the street, and even three innocent people deliberately run over and killed in Birmingham. We will not put up with this in our country. We will not allow a culture of fear to exist on our streets, and we will do whatever it takes to restore law and order and to rebuild our communities.

First, we must be clear about the sequence of events. A week ago today, a 29-year-old man named Mark Duggan was shot dead by the police in Tottenham. Clearly, there are questions that must be answered, and I can assure the House that this is being investigated thoroughly and independently by the Independent Police Complaints Commission. We must get to the bottom of exactly what happened, and we will.

Initially, there were some peaceful demonstrations following Mark Duggan's death and understandably and quite appropriately the police were cautious about how they dealt with them. However, this was then used as an excuse by opportunist thugs in gangs, first in Tottenham itself, then across London and in other cities. It is completely wrong to say there is any justifiable causal link. It is simply preposterous for anyone to suggest that people looting in Tottenham at the weekend, still less three days later in Salford, were in any way doing so because of the death of Mark Duggan. Young people stealing flat-screen televisions and burning shops—that was not about politics or protest, it was about theft.

In recent days, individual police officers have shown incredible bravery and have worked in some cases around the clock without a break, and they deserve our support and our thanks. But what became increasingly clear earlier this week was that there were simply far too few police deployed on to our streets, and the tactics that they were using were not working. Police chiefs have been frank with me about why this happened. Initially, the police treated the situation too much as a public order issue, rather than essentially one of crime. The truth is that the police have been facing a new and unique challenge, with different people doing the same thing—basically, looting—in different places but all at the same time. To respond to this situation, we are acting decisively to restore order on our streets, to support the victims of this terrible violence and to look at the deeper problems that led such a hard core of young people to decide to carry out such appalling criminality. Let me take each in turn.

First, restoring order. Following the meetings of Cobra that I chaired on Tuesday and Wednesday, and again this morning, we have taken decisive action to help ensure more robust and more effective policing. As a result of decisions made by Metropolitan police Commissioner Tim Godwin and other police chiefs up and down the country, there are now more police on the streets, more people being arrested, and more criminals being prosecuted. The Metropolitan police increased the number deployed on the streets of London from 6,000 to almost 16,000 officers, and this number will remain throughout the weekend. We have also seen large increases in deployments of officers in other affected areas. Leave in affected forces has been cancelled, and police officers have been bussed from forces across the country to areas of greatest need. Many businesses have quite rightly released special constables to help, and they performed magnificently as well.

More than 1,200 people have now been arrested across the country. We are making technology work for us, by capturing the images of the perpetrators on CCTV, so even if they have not yet been arrested their faces are known and they will not escape the law. As I said yesterday, no phoney human rights concerns about publishing the photographs will get in the way of bringing these criminals to justice. Anyone charged with violent disorder and other serious offences should expect to be remanded in custody, not let back on the streets; and anyone convicted should expect to go to jail.

Courts in London, Manchester and the west midlands have been sitting through the night, and will do so for as long as is necessary. Magistrates courts have proved effective in ensuring swift justice. The Crown courts are now starting to deal with the most serious cases. We are keeping under constant review whether the courts have the sentencing powers they need, and we will act if necessary.

As a result of the robust and uncompromising measures that have been taken, good progress is being made in restoring order to the streets of London and other cities around our country. As I have made clear, nothing should be off the table. Every contingency should be looked at. The police are already authorised to use baton rounds. As I said yesterday, while they would not be appropriate now, we do have in place contingency plans for water cannon to be available at 24 hours' notice.

[The Prime Minister]

Some people have raised the issue of the Army. The acting Commissioner of the Metropolitan police said to me that he would be the last man left in Scotland Yard with all his management team out on the streets before he asked for Army support. That is the right attitude and one I share, but it is the Government's responsibility to make sure that every future contingency is looked at, including whether there are tasks that the Army could undertake that might free up more police for the front line.

Everyone watching these horrific actions will be struck by how they were organised via social media. Free flow of information can be used for good, but it can also be used for ill, so we are working with the police, the intelligence services and industry to look at whether it would be right to stop people communicating via these websites and services when we know they are plotting violence, disorder and criminality.

I have also asked the police whether they need any other new powers. Specifically on facemasks, currently they can only ask for them to be removed in a specific geographical location and for a limited time. I can announce today that we are going to give the police the discretion to require the removal of face coverings under any circumstances where there is reasonable suspicion that they are related to criminal activity. On dealing with crowds, we are also looking at the use of existing dispersal powers and whether any wider power of curfew is necessary.

Whenever the police face a new threat, they must have the freedom and the confidence to change tactics as necessary. This Government will always make sure they have the backing and political support to do so. The fight back has well and truly begun, but there will be no complacency. We will not stop until this mindless violence and thuggery is defeated and law and order is fully restored on all our streets.

Let me turn to the innocent victims. No one will forget the images of the woman jumping from a burning building, or of the furniture shop that had survived the blitz but has now tragically been burnt to the ground; and everyone will have been impressed by the incredibly brave words of Tariq Jahan, a father in Birmingham whose son was so brutally and tragically run over and killed. Shops, businesses and homes—too many have been vandalised or destroyed and I give the people affected this promise: we will help you repair the damage, get your businesses back up and running and support your communities.

Let me take each in turn. On repairing the damage, I confirm that any individual, home owner or business that has suffered damage to or loss of their buildings or property as a result of rioting can seek compensation under the Riot (Damages) Act 1886, even if uninsured. The Government will ensure the police have the funds they need to meet the cost of any legitimate claims, and whereas normally claims must be received within 14 days, we will extend the period to 42 days. The Association of British Insurers has said it expects the industry to pay out in excess of £200 million, and has assured us that claims will be dealt with as quickly and constructively as possible.

On supporting business, we are today setting up a new £20 million high street support scheme to help affected businesses get back up and running quickly. To minimise the costs facing businesses, the Government will enable local authorities to grant business rate relief, by funding at least three quarters of their costs. We will defer tax payments for businesses in greatest need, through Time to Pay and other practical support. And for houses and businesses that have been the most badly damaged, we have instructed the valuation office immediately to stop liability for council tax and business rates.

A specific point was raised with me in Wolverhampton yesterday—that planning regulations make it difficult for shops to put up protective shutters. We will weed out unnecessary planning regulations to ensure that businesses can get back on their feet and feel secure as quickly as possible.

On supporting local communities, I can confirm that the Bellwin scheme to support local authorities will be operational. However, to ensure that urgent funding is immediately available, we are today establishing a new £10 million recovery scheme to provide additional support to councils in making areas safe, clean and clear again. The Government will also meet the immediate costs of emergency accommodation for families made homeless by the disturbances. The Secretaries of States for Communities and Local Government and for Business, Innovation and Skills have made available to the House details of all those schemes today. Of course, the situation continues to evolve, and we will keep any additional support under close review.

Finally, let me turn to the deeper problem. Responsibility for crime always lies with the criminal. These people were all volunteers; they did not have to do what they did, and they must suffer the consequences. But crime has a context, and we must not shy away from it. I have said before that there is a major problem in our society with children growing up not knowing the difference between right and wrong. This is not about poverty; it is about culture—a culture that glorifies violence, shows disrespect to authority and says everything about rights but nothing about responsibilities.

In too many cases, the parents of these children—if they are still around—do not care where their children are or who they are with, let alone what they are doing. The potential consequences of neglect and immorality on this scale have been clear for too long, without enough action being taken. As I said yesterday, there is no one step that can be taken, but we need a benefit system that rewards work and is on the side of families. We need more discipline in our schools; we need action to deal with the most disruptive families; and we need a criminal justice system that scores a clear, heavy line between right and wrong—in short, all the action that is necessary to help mend our broken society.

At the heart of all the violence sits the issue of the street gangs. Territorial, hierarchical and incredibly violent, they are mostly composed of young boys, mainly from dysfunctional homes. They earn money through crime, particularly drugs, and are bound together by an imposed loyalty to an authoritarian gang leader. They have blighted life on their estates, with gang-on-gang murders and unprovoked attacks on innocent bystanders.

In the past few days, there is some evidence that they have been behind the co-ordination of the attacks on the police and the looting that has followed. I want us to use the record of success against gangs from cities such as Boston in the USA and, indeed, from Strathclyde in

Scotland who have engaged the police, the voluntary sector and local government. I want this to be a national priority.

We have already introduced gang injunctions, and I can announce today that we will use them across the whole country for children and for adults. There are also further sanctions available beyond the criminal justice system. Local authorities and landlords already have tough powers to evict the perpetrators from social housing. Some local authorities are already doing this. I want to see others follow their lead, and we will consider whether these powers need to be strengthened further.

I have asked the Home Secretary to work with the Secretary of State for Work and Pensions and other Cabinet colleagues on a cross-government programme of action to deal with this gang culture and to report to Parliament in October.

I believe that we should be looking beyond our shores to learn the lessons from others who have faced similar problems. That is why I will be discussing how we can go further in getting to grips with gangs with people such as Bill Bratton, former commissioner of police in New York and Los Angeles. Of course, the problem is not just gangs; there were people who saw shop windows smashed and who thought that it would be okay just to go in and steal. It is not okay, and these people, too, will have to face the full consequences of their actions.

In the past few days, we have seen a range of emotions sweep this country: anger, fear, frustration, despair, sadness and, finally, a determined resolve that we will not let a violent few beat us. We saw that resolve in the people who gathered in Clapham, Manchester and Wolverhampton with brooms to clean up our streets. We saw it in those who patrolled the roads in Enfield through the night to deter rioters. We saw it in the hundreds of people who stood guard outside the Southall temple, protecting it from vandalism. This is a time for our country to pull together.

To the law-abiding people who play by the rules and who are the overwhelming majority in this country, I say: "the fight back has begun. We will protect you. If you have had your livelihood and property damaged, we will compensate you. We are on your side. To the lawless minority, the criminals who have taken what they can get, I say: we will track you down, we will find you, we will charge you, we will punish you. You will pay for what you have done.

We need to show the world, which has looked on, frankly, appalled, that the perpetrators of the violence we have seen on our streets are not in any way representative of our country, or of our young people. We need to show them that we will address our broken society and restore a sense of stronger morality and responsibility in every town, in every street and in every estate. A year away from the Olympics, we need to show the world the Britain that does not destroy, but that builds; that does not give up, but stands up; that does not look back, but always looks forward. I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): I thank the Prime Minister for his statement and for his decision to suggest to you, Mr. Speaker, that Parliament be recalled. Whatever we disagree on week by week, month by month, today as a House of Commons we stand shoulder to shoulder, united against the vandalism and violence we have seen on our streets. The victims are the innocent people who live in many of our cities, who have seen their homes and businesses destroyed, their communities damaged and their confidence about their own safety undermined. There can be no excuses, no justification. This behaviour has disgusted us all. It cannot be allowed to stand; we will not allow it to stand.

I join the Prime Minister in mourning the loss of life, including those killed in London and Birmingham. Our thoughts are with the families and friends of those who have died—with people such as Tariq Jahan. We stand with him because he is the true face of Britain—the Britain of which we are all proud.

I also thank our brave policemen and women throughout this country for the work they have been doing on our behalf, and all our emergency services. We salute them for their courage, their dedication and their willingness—yet again—to put themselves in harm's way for all of us and all our communities. Thanks to them, a degree of order has been re-established on our streets, but all of us in all parts of the House know what the public want and what they are entitled to: a return to normality, as well as order.

Normality does not mean shops having to shut at 3 pm because they fear looting. Normality does not mean rushing home because you are scared to be on the streets. Normality does not mean being fearful in your own home. People want to have back the most fundamental of all liberties: the ability to go about their business and lead their lives with security and without fear. They have a right to expect that and we have a responsibility to make it happen. To do that, Parliament needs to do its job. We need to unite against the violence and to be the place where we examine and debate frankly all the issues involved—how we have got here, what it says about Britain and what the response should be.

On policing, I agree with the Prime Minister that this is a job for the police, but will he say what functions he thinks the Army might be able to perform to relieve pressure on the police? Will he confirm that the significant additional operational costs that the police now face will be funded from the Treasury reserve and so not place extra pressure on already stretched budgets? Will he also confirm that the increased presence on our streets, which he said would remain in place to the weekend, will remain beyond the weekend, until the police can be confident that the trouble will not recur?

The events of the past few days have been a stark reminder to us all that police on our streets make our communities safer and make the public feel safer. Given the absolute priority the public attach to a visible and active police presence, does the Prime Minister understand why they will think it is not right if he goes ahead with the cuts to police numbers he has planned? Will he now think again about that policy?

On criminal justice, the public are clear about wanting swift, effective and tough action to send a message about the penalties and punishment that follow from the violence that has occurred. We must see swift progress from charge to trial in these cases. Can the Prime Minister confirm that there is the capacity in the courts and among our prosecutors to deal with cases swiftly, not just for first appearance, but throughout the trial process, including when people get to trial? It is right

[Edward Miliband]

that the Crown Prosecution Service is taking into account the aggravating circumstances within which the horrendous criminal acts that we have seen took place in recent days. Does the Prime Minister agree that magistrates and judges need to have those circumstances at the front of their mind so that those found guilty of such disgraceful behaviour receive the tough sentences that they deserve and the public expect? As the Prime Minister said, we have also been reminded about the importance of CCTV in catching those responsible, so will he undertake to look again at his proposals on CCTV to be absolutely sure that they in no way hinder bringing criminals to justice?

Thirdly, we need all our cities back on their feet and operating as normal. That work began—I pay tribute to the heroism of the thousands of volunteers who reclaimed our streets and showed the true spirit of those cities and our country. I welcome what the Prime Minister said and all the different elements of help that he announced. Can he reassure us that the help that is provided will meet the need, and that there will not be an arbitrary cap on the amount that he announced if it turns out that further resources are required? Can he assure us that these funds will flow straight away so that people can get on with rebuilding their lives and communities?

Fourthly, on the deeper lessons that we need to learn, the Prime Minister said in 2006:

> "Understanding the background, the reasons, the causes. It doesn't mean excusing crime but it will help us tackle it."

To seek to explain is not to seek to excuse. Of course these are acts of individual criminality, but we all have a duty to ask ourselves why there are people who feel they have nothing to lose and everything to gain from wanton vandalism and looting. We cannot afford to let this pass and calm the situation down, only to find ourselves in the same position again in the future.

These issues cannot be laid at the door of a single cause or a single Government. The causes are complex. Simplistic solutions will not provide the answer. We can tackle the solutions only by hearing from our communities. What the decent people I met on the streets of London and Manchester told me and will tell the Prime Minister is that they want their voice to be heard. They want us to go out and listen to them in thinking about the solutions that are necessary. Before any of us say we know all the answers or have simple solutions, we should all do so.

Will the Prime Minister explain how those in areas affected will have their voice heard as the Government seek to find solutions to the issues that we have seen? Does the Prime Minister agree that there must be a full independent commission of inquiry swiftly looking at what has happened in recent days and what lessons we need to learn—not an inquiry sitting in Whitehall hearing evidence from academic experts, but reaching out and listening to those affected, the decent law-abiding majority affected by these terrible events? They deserve and need to be heard.

We need to look at and act on all the issues that matter—the responsibility we need from top to bottom in our society, including parental responsibility; and an end to a take-what-you-can culture that needs to change from the benefits office to the board room. The Prime Minister is right. We need a sustained effort to tackle the gangs in our cities—something we knew about before these riots. In the consideration that the Prime Minister gives to how we tackle gang culture, will he look urgently at the Youth Justice Board report published last June, which had a series of recommendations about what the Government should be doing to tackle gang culture?

Of course, as we look at the solutions we need, questions of hope and aspiration are relevant—the provision of opportunities to get on in life that do not involve illegality and wrongdoing. When we talk about responsibility, we must not forget ours, not to the tiny minority who did the violence, but to the vast majority of law-abiding young people. They are a generation—this is not about any one Government—worried about their prospects and we cannot afford to fail them. We cannot afford to have the next generation believe that they are going to do worse than the last. They should be able to do better. That is the promise of Britain that they have a right to expect.

In conclusion, successful societies are built on an ethic of hard work, compassion, solidarity and looking after each other. Ours must be one society. We all bear a share of responsibility for what happens within it. It is right that we came back to debate these issues. It is right that public order must be paramount, but it is also imperative that even after order and normality are restored we do not ignore the lessons that we must learn. We cannot afford to move on and forget. To all the people who have been in fear this week, to those who have lost loved ones, homes and businesses, we owe a duty to ensure that there is no repeat of what we have seen. That is our responsibility to the victims and to the country, and the Opposition will play our part in making it happen.

The Prime Minister: I thank the right hon. Gentleman for what he has said today, but also for what he has said in recent days, and, if I may say so, the way in which he has said it. He made a number of points.

First, the right hon. Gentleman is absolutely right to praise the emergency services and the work they have done. It is particularly remarkable that in spite of the fact that fires have been started in many cities across our country, there have been no casualties from those fires. That speaks volumes about the professionalism and brilliance of our firefighters nationwide.

The right hon. Gentleman rightly says that it is important that as soon as possible we get our high streets, cities and towns back to a real sense of normality. That has to start with the increased police presence so that people feel the confidence to go out and enjoy their towns and cities, and I believe that that will happen, so that our cities become the great and bustling places that we want them to be.

The right hon. Gentleman asked about the police, the courts, communities and the deeper lessons, so let me just say a word about each. I chose my words on the Army carefully. None of us wants to see a break away from the great British model of policing where the public are the police and the police are the public, but Governments have a responsibility to try to look ahead at contingencies and potential problems, and to start asking about potential problems and difficulties in advance. That is exactly what Cobra has done—for instance, by

simply asking whether there are tasks, such as some simple guarding tasks, that could be done that would free up police for more front-line duties. This is not for today, or even for tomorrow; it is just so that there are contingency plans should they become necessary.

The right hon. Gentleman asked about operational costs. Of course, the Treasury reserve is being used. He asked about policing numbers beyond the weekend. Deployment must be an issue and a matter for police chiefs. They will want to assess the intelligence and the situation before making those decisions, but they should feel free to deploy as many police as they need for as long as they need. What matters most of all, more than anything else, is restoring order on our streets.

The right hon. Gentleman raised the issue of police budgets, and I am sure that this will be debated. Let me just make a couple of points. Over the next four years, we are looking for cash reductions in policing budgets—once we take into account the fact that there is a precept that helps fund the police—of 6%. I believe that is totally achievable without any reductions in visible policing, and a growing number of police chiefs are making that point.

Let me make two additional points on that. Today we still have 7,000 trained police officers in back-office jobs. Part of our programme of police reform is about freeing up police for front-line duties, and that is why I can make this very clear pledge to the House: at the end of this process of making sure our police budgets are affordable, we will still be able to surge as many police on to the streets as we have in recent days in London, in Wolverhampton, in Manchester. It is important that people understand that.

The right hon. Gentleman asked about the courts system and whether we can surge capacity in our magistrates and Crown courts. Yes, that is exactly what Cobra has been asking for in recent days. On sentencing, I chose my words carefully. Of course, it is for courts to sentence, but the Sentencing Council says that those people found guilty of violence on our streets should expect to have a custodial sentence.

The right hon. Gentleman asked about CCTV. We fully support CCTV. We want to regulate it to make sure that it is used properly, but it has been immensely valuable, as I have seen for myself in police control rooms up and down the country.

The right hon. Gentleman asked whether there would be any cap on the money that is available for communities. Of course, the Riot (Damages) Act has no cap at all, and because we are allowing the 42-day period people will be able to apply to the police and the Government will stand behind the police.

When it comes to the deeper lessons, the right hon. Gentleman is right. He quoted a speech that I made when I said that explaining does not mean excusing, and he is right to say that the causes are complex. I hope that the debates we will have on the causes will not immediately fall into a tiresome discussion about resources. When there are deep moral failures, we should not hit them with a wall of money. I think that it is right that the absolutely key word that he used, and which I used, was responsibility. People must be responsible for their actions. We are all responsible for what we do.

Finally, the right hon. Gentleman asked how we will listen to communities and what sort of inquiry is necessary. As I found when talking with many Members on both sides of the House, who are deeply in touch with their communities, their police forces and police chiefs, one of the first things we can do in this House is properly bring to bear all the information we are hearing from our communities, and I understand that the Home Affairs Select Committee is going to hold an inquiry. I think that we should ask a parliamentary inquiry to do this work first. I thank him for the general tone of what he said and hope that we can keep up this cross-party working as we deal with this very difficult problem.

Sir Peter Tapsell (Louth and Horncastle) (Con): Why have our police been dispersing these hoods so that they can riot in other vicinities, instead of rounding them up? Does the Prime Minister remember that in 1971, at the peak of the opposition to the Vietnam war in the United States, the US Government brought 16,000 troops into Washington, in addition to the police, who rounded up and arrested the rioters and put 40,000 of them in the DC stadium in one morning? Has he any plans to make Wembley stadium available for similar use?

The Prime Minister: I want the Wembley stadium to be available for great sporting events, and I think that it is important that as we get back to a sense of normality those sporting events go ahead. My right hon. Friend makes an important point, and to be fair to the police—we should all think carefully before starting to criticise police tactics when they are the ones on the front line—they now say that to begin with they spent too much time concentrating on the public order aspects and not enough time concentrating on the criminality aspects. It has been the greater police presence on the streets and the greater number of arrests that has helped to bring this situation under control. One police chief told me yesterday that it is time to tear up some of the manual on public order and restart it. He said, "We have done this many times in the police and we will do it again and get it right." It is in that spirit that we should praise British policing.

Several hon. Members *rose—*

Mr Speaker: Order. A great many colleagues are seeking to catch my eye, which is entirely understandable. I want to accommodate Members, but I issue with particular force my usual exhortation for brevity.

Mr David Lammy (Tottenham) (Lab): I welcome what the Prime Minister has said about the death of Mark Duggan and about compensation for victims. In Tottenham, 45 people have lost their homes, which were burnt to the ground. They were running out of their homes carrying their children in their arms, and their cry is, "Where were the police?" We can have this debate today, but it is no replacement for hearing from the people themselves. Will the Prime Minister come to Tottenham and speak with those victims and the independent shopkeepers, hairdressers and jewellers whose businesses are lying in cinders? Will he also commit to a public inquiry to consider why initial skirmishes were allowed to lead to a situation in which the great Roman road, Tottenham high road, now lies in cinders?

The Prime Minister: I will certainly take up the right hon. Gentleman's invitation to go to Tottenham and hear about that for myself. When I visited Croydon, I

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found real anger on the streets about what happened and how it could be allowed to happen. There was a lot of questioning about police tactics and the police presence. As I said in my statement, to be fair to the police, I think that to begin with, because of the situation with Mark Duggan, they were hanging back for a very good reason, but they clearly understand and accept that that went on for too long and that their presence needed to be greater, more robust and needed to protect people's homes and shops. We will now do everything we possibly can to get those people re-housed quickly and ensure that that money is available, and I know that my right hon. Friend the Secretary of State for Communities and Local Government has been in touch with almost all the local government leaders affected and we will keep that up. In terms of what inquiries are necessary, I think that we should start with the Home Affairs Select Committee inquiry. We should let it do its work and take it from there.

Mr John Leech (Manchester, Withington) (LD): Will the Prime Minister encourage media organisations to release immediately all unseen footage of criminal behaviour in order to assist the police in bringing criminals to justice?

The Prime Minister: I will certainly do that, and I was impressed, in the control room of the West Midlands police and emergency services yesterday, by how amateur photographers have been sending in footage to help the police to arrest those who are guilty. As has been said today, everyone has a responsibility. Media organisations, too, have a responsibility, and I hope that they will act on it.

Mr Jack Straw (Blackburn) (Lab): No one disputes for a second the Prime Minister's determination to meet what he describes as the first duty of Government to keep the streets safe, but does he not understand that his repetition of what amount to Treasury lines about police numbers and police budgets, and about prison numbers, sounds very complacent? I beg of him to recognise not only the reality that those cuts will lead to fewer police on the streets, but that he must reverse the softer sentencing plans of his Justice Secretary and stop the ludicrous plan that the Justice Secretary has to close prisons when there is patently now an urgent need for more prison places.

The Prime Minister: I do not accept what the right hon. Gentleman says about police numbers, and indeed neither do many chief constables. The chief constable of Thames Valley police said that

> "what I haven't done at all is reduce the number of officers who do the patrol functions, so the officers you see in vehicles, on foot, in uniform, on bicycles. We haven't cut those numbers at all."

Let me make this additional point to the right hon. Gentleman. One thing the past three days have demonstrated is that the Met, where we have 32,000 officers, actually could take the action to surge from 3,000 on the streets to 16,000 on the streets. I think that is a demonstration of using what you have to maximum effect.

Sir Malcolm Rifkind (Kensington) (Con): Metropolitan police officers have shown great courage and a high degree of determination over the past few days, but does the Prime Minister share my concern about reports that police officers on several occasions were instructed to stand and observe the rioting and looting? Does he agree that that cannot be acceptable behaviour, and that, if perhaps for understandable reasons because of the controversies after the G20 summit the police are concerned that they might be criticised for over-reacting, there is an urgent need for fresh guidelines so that there is no ambiguity and that it is the police, and not looters and rioters, who will control our streets?

The Prime Minister: My right hon. and learned Friend makes a good point, and obviously we will look again at the guidance. Let me be clear: there was no instruction to police officers to stand back, but as I have said, and I think police chiefs have been very frank about this, the balance between what is right for public order and what is right for stopping criminality—looting and thieving—was not got right to start with. They admit that, they accept that, but they were—to be fair to the police, who do a very difficult job on behalf of us all—facing a new set of circumstances. Yes, they have had riots before; yes, they have had looting before; and, yes, there has been violence and vandalism; but we have not in our country before had the same thing happening in different places with different people all doing it at the same time. That was a challenge for the police—a challenge that I believe they are now meeting excellently—but they did not get everything right to start with and they are the first to admit that.

Hazel Blears (Salford and Eccles) (Lab): I am grateful to the Prime Minister for his telephone call yesterday. What happened in Salford on Tuesday night was not about protest; it was about deliberate, organised, violent criminality. Will he give his full backing to the police to intervene in such circumstances? Some officers, who did not have riot gear and were not trained, had instructions to stand by and watch what happened. The effect on public confidence is devastating, so will he ensure that the police have the backing and confidence to review the guidance so that we never again see the police fall back in the face of a violent mob, as we saw on our streets?

The Prime Minister: The right hon. Lady speaks with all the authority of a former policing Minister who knows this issue well and, I know, discussed it with the chief constable of Greater Manchester. Clearly, what happened in Salford was unacceptable, and tragically it reversed very many good years of excellent work, breaking up gangs and taking on organised criminals, and I suspect that what happened is that those gangs and criminals saw it as an opportunity to reassert themselves. All those lessons must be learned, and I know that the Greater Manchester police chief, to whom I too have spoken, wants to learn those lessons. It is not right ever to cede control of our streets to hooligans, which is what happened briefly in Salford, but we have to rest with the operational judgment of police chiefs when they are on the streets, and the time to learn the lessons is now.

Mr David Davis (Haltemprice and Howden) (Con): I commend the Prime Minister for his decision to take action on gangs, but I want to raise another issue with

him. He rightly told the House that the whole country was moved by the dignified words of the father of Haroon Jahan yesterday, who made those comments against the background of some ethnic tension and managed to calm the situation. There is at least a risk that evil-minded people will try to use these conflicts to raise ethic tensions and conflicts further. Will the Government take action with the leaders of communities to ensure that that is prevented?

The Prime Minister: The Government will certainly do that. I was in Birmingham yesterday and joined a meeting of community leaders from all religions, all creeds and all races, who came together to make sure that the communities did not respond inappropriately to the dreadful events that had happened. I pay tribute to the chief constable of West Midlands police, the leader of Birmingham city council and all the people who went out from that meeting and spoke to their communities to appeal for calm. The scenes that we all saw on our television screens last night of communities coming together in Birmingham to try to stop the violence was a model of how these things should be done.

Mr David Winnick (Walsall North) (Lab): Bearing in mind what the Prime Minister has just said, what justification can there be in the west midlands for very experienced police officers who have served for 30 years or more being forced to retire against their wishes because of the cuts? Where there is no adequate police presence, as has unfortunately been the case once or twice in the past few days, does not the mob take over?

The Prime Minister: The hon. Gentleman is entirely right. When I was in Wolverhampton yesterday, I heard that the number of police officers was roughly doubling overnight compared with the previous night. I suspect that the same was happening in Walsall, West Bromwich and other parts of the west midlands. One lesson we must learn is that we need the ability to surge the number of police in our communities very rapidly when such problems arise. Let me say again that the police do a difficult and dangerous job on our behalf. They learn from experience. The police in our country are hugely experienced in dealing with difficult situations. They do not always get it right. We must praise them when they do get it right. Here, we must say that some of the tactics need to change, but we should not substitute our own judgment for theirs—that would not be a sensible approach.

Nick de Bois (Enfield North) (Con): My constituents and I witnessed shocking events in Enfield on Sunday and Monday. What was particularly shocking was the age of a number of the culprits. Will the Prime Minister ask the police authorities to work with the education authorities to identify the many secondary school children who were out committing crimes?

The Prime Minister: That is certainly a sensible suggestion. Over and above that, we must recognise that the responsibility for the fact that some of these children—I use the word "children" advisedly—are out on the streets rests with their parents. We need parents to take more responsibility for their children, teach them the difference between right and wrong, and point out that this sort of behaviour is completely unacceptable.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): It is undeniable that these criminals who looted, stole, rioted and caused intolerable damage to their victims must be dealt with by the police and the justice system. I ask the Prime Minister, do we regard these people, however abject their acts, as irreclaimable to society, at great cost to the police, the justice system and the prison system, or will we have positive policies to try, if at all possible, to reclaim them for society?

The Prime Minister: I agree with the right hon. Gentleman that we must never write people off, however bad they are. We must try to build a stronger society in which we can turn people's lives around. One of the lessons from this is that too many people have been left for too long and we need much earlier intervention. This is something that Members from all parts of the House have spoken about. When we see children going wrong, we must intervene earlier rather than leaving them to fall out of school and lapse into a life of criminality.

Nadine Dorries (Mid Bedfordshire) (Con): If these riots had broken out in any city or town in Australia or America, the police would have had at their instant disposal water cannon, plastic bullets and tear gas. Across the UK, British people watched on television while police were instructed to stand back when shops were looted, homes were torched and cars were set on fire. Does the Prime Minister really believe that 24 hours' notice of the use of water cannon is good enough? Is it not the case that this is not about police numbers, but about police being given the tools to do the job?

The Prime Minister: First, let me say to my hon. Friend that the police have access to baton rounds and they can make the decision to use them—in London, they came quite close to making that decision. That must be an operational decision for the police. The very strong advice from the police is that because, on the whole, they were not dealing with very large crowds, but with very mobile crowds who were intent on criminal behaviour, water cannon would not have been appropriate. That is the police view. The point that I have made is that we should be ready for every possible contingency in future, so we should know how we would answer future questions. That is why water cannon are now available at 24 hours' notice.

However, I do not agree with my hon. Friend in that I think that the greatest possible deterrent to the lawlessness that we saw is for people to know that, if they do that looting and violence, they will be pulled out of the crowd, arrested immediately and be in front of a court that night. That is the answer. The key to that is more police on the streets so that they are able to be more robust in their interventions.

Keith Vaz (Leicester East) (Lab): I welcome all the steps that the Prime Minister has taken since the start of the disorders and join him and others in condemning the criminality and praising the police. Like him, I was out on the streets of London yesterday, and the key issue was police visibility. Is the Prime Minister saying that, if a police force has to dip into contingencies to pay for what has happened in the past few days, the Government will reimburse all the money?

The Prime Minister: I thank the right hon. Gentleman for what he has said and for the work that I know his Committee will do in the coming weeks. The Treasury is standing ready to assist police forces. Clearly, the bill for the Metropolitan police force for the past few days will be large and, if they continue to deploy in those numbers, it will get larger and the Treasury will stand behind that.

Simon Hughes (Bermondsey and Old Southwark) (LD): Those of us in the communities affected give our thanks to the police and the emergency services, but are conscious that if the best deterrent is being caught, the police have a minority of officers trained and able to use riot headgear and equipment. Will the Prime Minister, with the Home Secretary, consider reversing that so that there is a presumption that most police officers are in that position, and can act and intervene? Will he ensure that the full force of the law does not descend only on the hardened 50 per community—the serial criminals—but on the adults with children who were also going into the shops and nicking stuff, and not just the children for whom they are meant to set an example?

The Prime Minister: On the right hon. Gentleman's first point, of course there will be a proper review of the right balance between riot police and normal borough policing so that we meet such emergencies better in future. Of course that will happen.

In terms of prosecuting the guilty, the police should go after everybody. They have the CCTV images, and people all over the country are ringing up and explaining that their neighbour has just acquired a new 42-inch plasma screen. I encourage even more people to do that for as many people as possible to be nicked.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The people of Liverpool are united in their absolute condemnation of the criminal acts that wreaked so much havoc and caused so much fear in parts of Liverpool in the past few days. What specific arrangements has the Prime Minister made to enable the city and others that have suffered similarly to be assisted in a swift recovery?

The Prime Minister: I pay tribute to the hon. Lady for speaking on behalf of Liverpool, which also suffered from the violent disorder. Liverpool will be able to apply, through not only the existing Bellwin scheme but the new special scheme which does not have a threshold that needs to be crossed to claim payments. Also, the Riot (Damages) Act is effectively unlimited in the claims that can be made and, as I have said, the Home Office will stand behind police forces. There is therefore a series of measures and there will be written statements in the House today, so the hon. Lady can see full details and share them with her council leader.

Andrew Rosindell (Romford) (Con): I know that the Prime Minister will agree that we in Britain still have the best police force in the world. However, does he also agree that it is time that the police were refocused on being crime fighters instead of social workers?

The Prime Minister: I think the police have the clearest possible message that we want them to be a police force. We want them to be focused on crime; we do not want them fighting paper behind their desks. They have had a very clear message from the whole country this week that people want visible policing, but they want very robust policing too.

David Miliband (South Shields) (Lab): The Prime Minister will be as pleased as I am that there has been no rioting or looting in South Shields. He has rightly praised the independence and professionalism of the chief constables. Why, therefore, does he want to get rid of them all and make them stand for election?

The Prime Minister: We are not proposing to make chief constables stand for election; what we are proposing is to have police commissioners stand for election, replacing police authorities. The point that I would make is this: yes, we have independent police chief constables and, yes, they have to be responsible for their judgments, but in recent days the argument that it is important that they are accountable politically—and there is a discussion that can take place between politicians and police chiefs—is a thoroughly good one.

Angie Bray (Ealing Central and Acton) (Con): Ealing town centre was badly smashed up on Monday night. A man is critically ill in hospital, having been attacked by a yob when he tried to put out a fire in a litter bin. People are pretty devastated. Morale was slightly lifted when we heard the Prime Minister say that those big enough to take part in the protest are big enough to take the consequences. Can he assure my constituents that those who are found guilty of being caught up in this mayhem will feel the full force of the law, including prison sentences?

The Prime Minister: Yes, I can give my hon. Friend that assurance, and I thank her for the briefing that she gave me on what had been happening in Ealing, particularly on Monday night. I can give her that assurance: sentencing must be a matter for the courts, but the Sentencing Council is clear that people taking part in violent disorder should expect to go to prison.

Stella Creasy (Walthamstow) (Lab/Co-op): May I invite the Prime Minister to join me and the people of Walthamstow in putting on record our gratitude not only to the police, who have worked so hard to restore calm to our streets, but to the outreach and community workers, who have been out every night talking to people to reduce the tension and restore order on our streets in partnership with the police? May I invite him to meet those people, so that he can understand that talking about resourcing that work is not a tiresome debate? Rather, we must learn from their experience in restoring order, not just over the next few days but on every day in our communities across the country.

The Prime Minister: I am certainly happy to meet the hon. Lady. The point she makes—that reclaiming the streets is an issue not just for the police but for everybody—is absolutely right, and we have seen fantastic examples of that right across our country. The point that I was trying to make about resources is that of course resources will be debated in the debate that follows, but I hope that we can also have a debate about some of the culture, some of the upbringing, some of the parenting and some of the deeper points that lie behind these problems.

David T. C. Davies (Monmouth) (Con): Front-line officers were telling me last night that they have been afraid to use a measure of physical force because of concerns about criticisms by Members of Parliament, which they have seen before. I welcome the Prime Minister saying that we will be robust and do whatever it takes, but can he assure us that Members of this House will support the police if they have to strike people with batons or kettle them in? Force has to be met with greater force.

The Prime Minister: My hon. Friend speaks with great expertise, because he serves as a special policeman. The point is this: people want robust policing, and of course the police have to be sensitive to things that have happened in the past—sometimes the pendulum can swing too far one way, and then too far the other way—but I am sure that the message has been received loud and clear that when there is such violent criminal behaviour, people want a very robust response.

Heidi Alexander (Lewisham East) (Lab): The Prime Minister has talked about the role played by gangs and technology in the disorder that has taken place over the last week. Does he share my concern about the popularity and accessibility of internet footage glorifying gangs and knives? What will he do to ensure that those despicable videos are taken down?

The Prime Minister: The hon. Lady speaks very powerfully for Lewisham and her constituency, and also on this issue, on which frankly everyone has responsibilities —not just Members of Parliament, the police and parents, but media companies and social media companies that are displaying those images. All of them should think about their responsibilities and about taking down those images. That is why the Home Secretary is going to have meetings with those organisations to see what more can be done.

Gavin Barwell (Croydon Central) (Con): Two of the shocking images that the Prime Minister referred to in his statement took place in my constituency. May I thank him for coming to Croydon on Tuesday? Yesterday and the day before, my constituents finally got to see the kind of policing—in terms of visibility and robustness—that they want to see every day. Can he reassure me and my constituents that we will see not just a temporary change in police tactics and visibility, but a permanent one?

The Prime Minister: I thank my hon. Friend for what he did to introduce me to some of the affected shopkeepers and home owners in his constituency, some of whom have been made homeless. I can give him that assurance, because—as I have said—one of the things that has been demonstrated in the last few days is the importance of surging police numbers quickly. There are 32,000 officers in the Met, and having just 3,000 on the streets on Sunday and 6,000 on Monday was not enough. That is why action was taken to increase the numbers and I am sure that lessons will be learned in that regard.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): The Police Service of Northern Ireland has been available with resources to support the police here in what they are doing. In the context of reviewing the actions of the police in the past few days, may I ask the Prime Minister to get them to involve the PSNI, given its lengthy experience of riot control, so that it can advise on how to handle such situations in future?

The Prime Minister: It is of course enormously helpful having Sir Hugh Orde, who served so well in Northern Ireland, as chairman of the Association of Chief Police Officers, and I raised in Cobra the issue of accessing the expertise of the PSNI. One of the issues that we needed to grip quickly was the fact that this was not a political protest; they were looting gangs and so every case was different. That was one of the difficulties that the police service faced.

Mr Edward Leigh (Gainsborough) (Con): Is it any wonder that these events have taken place when the authority of parents, teachers and the police has been eroded so consistently for so many years? Hopefully the Prime Minister will reverse that process. He has said again and again that it is the stability of families that counts, and he has made tremendous progress in advancing the debate, but before the election he said that marriage was the key and that he would introduce a married persons tax allowance. That still has not happened. Will he now do it?

The Prime Minister: As my hon. Friend knows, I think that we should support families and marriage in every way that we can. We should set a simple test for all Government policies of whether what we are about to do will enhance responsibility, whether of parents, teachers in school or police officers on the streets. If it will, we should do it, but if it would not, we should not do it.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Does the Prime Minister realise that in times of economic downturn acquisitive crime always increases? The difference this week was that it was backed up by extreme violence and perpetrated by mobs. In that light, may I ask him to reconsider the cuts to police budgets? He will be seen as giving in not to mob violence, but to common sense.

The Prime Minister: I simply do not accept this determinism that changes in the economy mean automatic changes in the levels of criminality. Indeed, the figures for the last recession disprove that. We should be clear in this House that it is criminals who are responsible for crime. It is an individual act, and we should hold people responsible for their acts.

Let me take this opportunity to pay tribute to the Welsh police forces that gave great support to police forces across England.

Mark Pritchard (The Wrekin) (Con): I congratulate the Prime Minister on the leadership that he has shown on this issue and the initiatives that he has announced today. Is it not the case, though, that those local authorities that attempted to close down youth services should think again and perhaps consider shutting off some of the more lavish perks enjoyed by some local authority workers instead?

The Prime Minister: At a time when everyone has to make budget reductions, every organisation, be it central Government, local authority or police force, has to focus on the front end and the things that matter most. We are doing that in government and police forces are doing it too. Local authorities should do the same.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I was on the streets of Hackney at the height of the rioting on Monday night, and I know how frightened people were and remain. The most important thing is to regain control of our streets, but, on the Army, I am well aware how attractive the further militarisation of this situation is to some Members of this House and even to some of my constituents, but the Prime Minister will be aware that Sir Hugh Orde, who has ordered the firing of baton rounds and the use of water cannon in Northern Ireland, is against the use of such things in the current situation. I say to this House, whether it is a popular thing to say or not, that the further militarisation of the situation we face will not help and might bring things to an even worse level.

The Prime Minister: First, let me agree with what the hon. Lady said, I think very powerfully, about the fact that this was criminality on the streets, and about how frightened people were. I agree with Hugh Orde and others who say that now is not the time to take such steps. Government have a responsibility to ask about contingencies: to work out what will happen next, and what would happen if things got worse. Those are responsibilities that we take very seriously. Let us, however, take this opportunity to pay tribute to what the armed services often do in our own country when it comes to floods and other emergencies. They play an incredible role, and we should thank them for it.

Mr Roger Gale (North Thanet) (Con): Does my right hon. Friend agree that at a time like this, facing the circumstances that we face, it really is a nonsense that magistrates courts must refer cases to the Crown court because their own sentencing powers are inadequate? Will he take immediate steps to give magistrates courts the powers to deal with these cases so that the perpetrators can be where they belong—behind bars?

The Prime Minister: As I said in my statement, we keep the sentencing powers under review. Magistrates courts can pass sentences of up to six months, and they have been doing so. They have been passing sentences overnight, and also referring cases to the Crown court. I think it vital for us to ensure that there is enough Crown court capacity to deal with these cases quickly.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I beg the Prime Minister to change his mind about the commission of inquiry? This is not going to go away, although we might wish it to do so. It is a complex, changing social phenomenon, which we have to understand in order to combat it. Will the Prime Minister announce the establishment of a commission of inquiry this week? This goes to the roots of the present situation. As the Prime Minister knows, I am a great supporter of Select Committees, but it is not enough to leave the matter to a Select Committee inquiry; we need a national commission of inquiry.

The Prime Minister: I think that we should have confidence in the ability of our Select Committees in the House to do this work, and I think that the Home Affairs Committee does an excellent job. As I have said, I do not rule out other things for the future, but let us start with that. Sometimes, commissions of inquiry have had to be ordered because Committees of the House have not been able to reach the information or the people, but I do not see why that should be the case in this instance.

Jenny Willott (Cardiff Central) (LD): Some cities have suffered hugely this week, while others have avoided violence and managed to quash any potential trouble before it kicked off. When inquiries are established and when the Select Committee does its work, will the Prime Minister ensure that we learn lessons not only from the areas where violence did kick off, but from cities such as Cardiff and Sheffield, where there was no trouble? Perhaps we can learn lessons from what went right in those areas.

The Prime Minister: The hon. Lady is absolutely right, and any inquiry should certainly do that.

Malcolm Wicks (Croydon North) (Lab):I, too, thank the Prime Minister for visiting Croydon earlier in the week, where he met our decent citizens who had become victims, had seen their buildings and businesses burnt down, and had seen their offices and shops trashed. The plea from people in that Croydon war zone—for that is what it was—was, "Where were the police?" For hour after hour after hour, people were free to pillage and loot, with no uniformed officers around.

This is not partisan. May I ask the Prime Minister, on behalf of the people whom I have met over the past two days, distraught and sad people, the people of Croydon North who have been the victims—may I plead with the Prime Minister, on behalf of my constituents—to think again about police numbers? The people of Croydon, and indeed the people of London, want more police in London, not fewer. Providing fewer would be precisely the wrong policy, at precisely the wrong time for our society.

The Prime Minister: The time that I spent in Croydon with the right hon. Gentleman was incredibly powerful. I heard about the immense frustration, and the anger, that those shopkeepers, householders and tenants felt. Let me say this to the right hon. Gentleman, however. The problem was that the police were not on the streets. The problem was not about police budgets in four years' time, but about the availability of the police right now. There are 32,000 officers in the Met. We needed to get more of them on to the streets more quickly, and more of them to Croydon. It is about now: it is not about the budgets of the future.

Iain Stewart (Milton Keynes South) (Con): I welcomed the Prime Minister's comments about the role of social media. May I urge him to look into what might be called the internet equivalent of hoax 999 calls? It would seem that the police have had to waste considerable time dealing with false and malicious rumours about mob activity, and the law and penalties must be fully up to date with that.

The Prime Minister: My hon. Friend makes a very good point. Just as the police have been using technology more effectively, so the criminals are now using technology more effectively. An awful lot of hoaxes and false trails were laid on Twitter, BlackBerry Messenger and the rest, and we need a major piece of work to make sure the police have all the electronic capabilities that they need to hunt down and beat the criminal.

Mr Andrew Smith (Oxford East) (Lab): Can the Prime Minister say what measures he has in mind to strengthen families, and in particular parental responsibility, which so many members of the public rightly think is a big factor in all of this?

The Prime Minister: Let me give the right hon. Gentleman just one area where we have already made progress but I want to see further progress: discipline in schools. We have got to make sure that schools are able to confiscate things from children and to exclude children without being overruled by appeals panels. All those steps add to responsibility. We must also make sure that every single tax and benefit is pro-family, pro-commitment and pro-fathers who stick around. Part of the problem is that fathers have left too many of these communities, and that is why young people look towards the gang.

Conor Burns (Bournemouth West) (Con): The Prime Minister has referred twice in the past 24 hours to phoney concerns about human rights. He will be aware of the many letters we all receive from people who are dismayed by decisions taken that seem to laugh at our values and beliefs in this country. If he is serious about wanting to build the responsible society, may I suggest that that will be much more easily achieved if we remove the invidious Human Rights Act from legislation?

The Prime Minister: The specific point that I was making was about the concern that is often expressed, and was expressed to me over the past couple of days, as to whether under the Human Rights Act "Wanted" pictures, as it were, could be published. I wanted specifically to send a message to police forces and local authorities that they should go ahead and do that. On the Human Rights Act more generally, my hon. Friend knows that we have plans to reform it at source under the European convention on human rights.

Richard Burden (Birmingham, Northfield) (Lab): In relation to Birmingham and the west midlands, may I add my tribute to the work of the police, the emergency services and local authority workers, and also to the active citizenship shown by the broom brigades and the profound dignity of Tariq Jahan last night? However, I ask the Prime Minister to look again at the police budget figures he mentioned. He mentioned 6%, but the cuts amount to a lot more than that for metropolitan areas because of the way the formulae work. Will he look again at that, as I think he may be operating on the basis of duff figures?

The Prime Minister: First, let me again pay tribute to what was done in Birmingham; it was a model of bringing communities together, and I am sure the hon. Gentleman played a part in that.

The point I am making is that police funding comes from both the grant and the precept, and if we make normal assumptions about the precept, what we are asking for is on average a 6% cash reduction over four years. I do not think that that is impossible while keeping up police visibility, and a growing number of police chiefs are agreeing with that. For the hon. Gentleman's West Midlands force, we are basically taking the funding back to its 2007 level. From the way he is speaking, people would think we were taking it back to the 1987 level.

Margot James (Stourbridge) (Con): I urge the Prime Minister to resist the knee-jerk calls for a revision to the plans for the police budgets and police numbers. We should remember that this is about the deployment and management of resources, and about the more effective use of resources. That is the view of my chief constable in the west midlands, and it is the view that should prevail.

The Prime Minister: My hon. Friend is entirely right: what matters is getting the most out of the budgets that are there. This is not a big day for politics, but both parties went into the last election promising to make reductions in policing budgets; the Opposition were proposing a reduction of £1 billion. As we are prepared to freeze police pay, reform allowances and ask for greater contributions to pensions, and because we have got rid of the stop form and are reducing reporting on stop and search, we can make those reductions without affecting visible policing. But that is possible only because we have made those difficult decisions, which the Opposition are not making.

Mr Virendra Sharma (Ealing, Southall) (Lab): On Tuesday night, all was quiet across Ealing, but there had been warnings that Southall might come under attack. Local people at the Sikh gurdwaras, mosques, Hindu temples and churches arranged to place volunteers outside their religious places of worship to protect them. I thank the Prime Minister for mentioning Southall and the role played by the volunteers during that day, but I assure him that those people were led by the local Member of Parliament, local councillors, faith leaders, community leaders and business leaders. May I ask him to come out to my constituency and meet those volunteers and community leaders so that they can ask him a few questions that they feel have not been answered in the past and that they fear he will not be able to answer in the future? Will he visit my constituency in the very near future?

The Prime Minister: I can see that I am going to get a number of very enticing invitations today. I think the whole country admires the protection of the temple in Ealing, Southall. I have huge admiration for those people who want to protect their homes, their properties and their communities. Of course, that should be the job of the police and we need to ensure that the police are on the streets in greater numbers to do that. I pay tribute to the people of Ealing, Southall for what they achieved.

Mr Peter Lilley (Hitchin and Harpenden) (Con): Does my right hon. Friend accept that the problems addressed by his statement and those that will be addressed by the subsequent statement from the Chancellor have one factor in common: a widespread belief that anyone can have anything they want without paying for it and without living within their means? Will my right hon. Friend therefore resist the siren calls to give up his plans to make all departments, including the police, live within our means, especially as every police officer whom I know and to whom I have spoken says that they could dramatically increase the proportion of their time used effectively to the public good if they were deployed more efficiently? It cannot be beyond the wit of man to live within those budgets and improve good policing with 6% less resources.

The Prime Minister: My right hon. Friend makes a very powerful point. I made a point of sitting down with my own chief constable in my constituency surgery and going through her budget line by line, to see the changes that were being made so that savings could be made but visible policing would not be affected. With a 6% cash reduction, it can be done.

Kate Hoey (Vauxhall) (Lab): The Prime Minister has made much, as others have, of the importance of parental responsibility. Does he realise that for many of the people involved in gangs, their parents are the gangs? Some of the issues to do with gangs and how they operate in inner-city areas such as Lambeth are crucial to this debate. Will he also tell me, please, what he means by a gang injunction?

The Prime Minister: The hon. Lady is entirely right that there is no single measure that will increase parental responsibility and break up gang membership. One reason why I have asked my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) to play a role is that, before he took up his role on the Front Bench, the social justice organisation with which he was involved spent a huge amount of time trying to look at the best practice in dealing with gangs. There are gang injunctions at the moment that apply only to adults—we will be applying them to children—which can prevent people from doing particular things. That is a good start, but, as I have said, there is no one single answer.

Richard Ottaway (Croydon South) (Con): May I join my colleagues from Croydon in thanking the Prime Minister for his visit, which was hugely appreciated? I also join them in their call to maintain the high police profile down there. Does the Prime Minister agree that once the situation is stabilised we need to consider the underlying causes and, as he says, to accept that there is a small group in our society who do not know the difference between right and wrong?

The Prime Minister: My hon. Friend is entirely right. From the television scenes it was quite clear that this was criminality and looting and that a lot of it was done by very young children who should have been under the control of their parents.

Graham Stringer (Blackley and Broughton) (Lab): The Prime Minister is completely right when he says that the tactics failed. Many in my constituency who support the police were horrified when they saw police in full riot gear watching as looters went into shops, filled plastic bags full of loot and left, unarrested by the police. That was a victory for criminals. Will the Prime Minister give my constituents and this House an assurance that if there is another criminal assault on the centre of Manchester, all those criminals will be arrested?

The Prime Minister: I can go further than that and say that even those criminals who did such things while the police did not intervene in the way that he and others would have liked will be arrested, too. Their faces and pictures are captured on CCTV, and even as we had the Cobra meeting this morning 60 arrests took place across London. I am sure that the same is happening in Manchester, too. I agree with the hon. Gentleman that we need to examine tactics and ensure we get things right in the future.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Prime Minister has quite rightly identified that there has been major criminal activity. I welcome the attempt to help the victims, and specifically to help small businesses through the deferral of tax. Will he also ensure that the tax authorities do not penalise businesses that are late in filing tax and VAT returns, and in doing the paperwork, because of the disruption with which they are coping?

The Prime Minister: We will certainly do that. That is why, as I said in the statement, there will be the facility for businesses affected to pay their tax late.

Paul Goggins (Wythenshawe and Sale East) (Lab): May I voice my support for the police, including the brave officers who faced unprecedented violence and criminality in Manchester on Tuesday night? The Prime Minister says that this is about now, but there is one practical thing that he could do that would reduce the pressure on the Metropolitan police in particular: delay, or preferably cancel, the proposal to allow terrorist suspects, who are currently required to live away from London, to return to the city from the start of next year. Will he give that serious consideration?

The Prime Minister: As the right hon. Gentleman served in the Home Office, I will certainly look very carefully and closely at what he says. Let me join him in paying tribute to the police; his fellow Member of Parliament for Manchester, the hon. Member for Blackley and Broughton (Graham Stringer), put it slightly differently. I am sure that everyone in this House will praise the bravery of officers, and what they do, putting themselves in harm's way. It is not fair to blame them if sometimes the tactics do not work. I think we have to be very careful in the way we express ourselves on this issue.

Andrea Leadsom (South Northamptonshire) (Con): Literally thousands of victims deserve to see justice done, and it seems to me that there is very heavy reliance on the use of closed circuit television to capture images. Are the police considering other things, such as spraying indelible chemical dye on rioters, so that they can identify them and pick them up the following day?

The Prime Minister: As I have said, I think the police should look at all available technologies and should keep abreast of all potential developments, here and in other countries, to make sure that they arrest as many people as possible.

Chris Leslie (Nottingham East) (Lab/Co-op): In Nottingham, the police public order squads, whom I accompanied last night, are a tribute to the best of our front-line public service workers, but does the Prime Minister recognise and accept that the scheduled reductions in public spending—not only for the police, but for the fire and ambulance services, the courts, and the much-maligned back office staff—will affect the ability of those teams to respond effectively? Will he please think again?

The Prime Minister: It is an hour and 20 minutes before I have said it, but I have to say it: there is a reason why we are having to reduce these budgets, and that is because we inherited a complete fiscal car crash. There is a connection between this statement and the statement that we are about to have, which is that if countries do not get control of their fiscal situations, we can see what happens, with even the largest countries in the world getting their debt downgraded.

Mr Stewart Jackson (Peterborough) (Con): The Prime Minister is quite right to look at the events of this week in the context of social malaise and family breakdown. May I press him on the point raised by my hon. Friend the Member for Gainsborough (Mr Leigh)? The policy to which he referred—support for marriage in the tax system—was in the coalition agreement and the Conservative party manifesto on which we were both elected. Surely, this week of all weeks, it is time to look at the holistic context, support marriage and the family, review the policy, and bring forward proposals to support marriage and the family in our country?

The Prime Minister: My hon. Friend is absolutely right that that was in the manifesto, and it is indeed in the coalition agreement. The coalition agreement, where the two parties take a different view, makes allowance for that, and I remain a strong supporter of that proposal.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): As a member of the Home Affairs Committee, I am confident that our report will make a serious and significant contribution, but does not the Prime Minister accept that something more than that is needed? We need an in-depth, wide-ranging, full-time report, led by somebody with an authority and independence equivalent to that of Lord Scarman, and we need that quickly if the issues to which the Prime Minister has referred are to be fully explored.

The Prime Minister: Let me make a couple of points to the right hon. Gentleman, who I know served in the Home Office. First of all, sometimes the need for wider commissions of inquiry has come about because the House of Commons Select Committees could not get to the bottom of an issue; we are not even at that point yet. Secondly, these events are still continuing, so to start talking about what sort of inquiry there should be now is, I think, wrong. The third point that I would make is this: of course one should not jump to conclusions, but I think everyone is clear on the differences between what we have seen in the last three days and what we saw in 1981. This was not political protest, or a riot about protest or politics—it was common or garden thieving, robbing and looting, and we do not need an inquiry to tell us that.

David Tredinnick (Bosworth) (Con): Does my right hon. Friend accept that following the G10 demonstrations in London, and the unfortunate death that occurred, many police officers have been reluctant to use force? If they do use force, what reassurances can he give them?

The Prime Minister: The reassurance that I can give is that we will put the resources into the police force to make sure we have the trained officers we need.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): May I pay my tribute to the West Midlands police, who did an excellent job in trying to contain some very unpleasant events in Birmingham and surrounding cities? It was right for the courts to sit overnight, because those who are guilty have to be punished quickly, but what discussions has the Prime Minister had with the Justice Secretary to make sure that our prisons have the capacity to deal with what they will be receiving?

The Prime Minister: The hon. Lady raises a very important point, and I was in her constituency yesterday. The discussions that we have had at Cobra, and Justice Ministers were present at all the meetings, were to make sure that we had enough capacity in police cells, enough capacity in the magistrates courts system—the Solihull court has been sitting over a 24-hour period—and enough capacity in our prisons to deal with this. I have been assured on all those levels that the work is there and the capacity is available.

Mr Philip Hollobone (Kettering) (Con): What sanctions will be imposed on the parents of those juveniles who are prosecuted for being involved in the riots? Should not parents be held responsible in the courts for their children's behaviour?

The Prime Minister: My hon. Friend is right. Parenting orders can be used, and I hope that they will be widely used on this occasion.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Yesterday and the day before, homes and businesses in my constituency were vandalised by a very small minority. It was the majority who came together in Liverpool on Tuesday and Wednesday morning to clean up the mess, but there is some damage that could not be swept away. The Prime Minister has said that the Government will ensure that the police have the funds to meet the cost of any legitimate compensation claim. Will the Prime Minister confirm that all these funds will be in addition to Merseyside police's, and other police authorities', existing budgets?

The Prime Minister: That is exactly what I have said. There is the Riot (Damages) Act, so businesses, even if they are uninsured, can apply to the relevant police force, and the Home Office will stand behind that force. That is obviously a scheme that has been in place for decades. In addition to that, there are, of course, the two schemes that I have announced today, one of which will directly impact on the hon. Lady's constituency, because it was affected by the riots.

Andrew Bridgen (North West Leicestershire) (Con): Does the Prime Minister agree that what we have witnessed on the streets of our major towns and cities is nothing more or less than pure criminality and thuggery? Those who seek to excuse that behaviour, putting it down to deprivation, poverty, or current Government policies, are themselves symptomatic of the no-blame, no-responsibility culture that has undermined our society and led us to this sorry state.

The Prime Minister: My hon. Friend makes a powerful point. I have been struck, when meeting local people, community leaders and police officers, by the fact that everyone has been making the point that this is about criminality, and not about political protest.

Mr Tom Watson (West Bromwich East) (Lab): After the riot in West Bromwich, local traders told me that they feared the emergence of a new class of criminal consumer: BlackBerry-enabled, self-organised groups, whose new-found collectivism had diminished their fear of the police and increased their contempt for the law. Their clarion cry to the Prime Minister was: "Please reverse the planned reduction in police in the west midlands by 1,000 uniformed police officers." *[Interruption.]* I am sorry he does not like to hear that. If he is going to give them the answer no, would he at least agree to keep the matter under review?

The Prime Minister: The first half of the hon. Gentleman's question, which was all about the new technology that the criminal is using, bore no relation to the second half of the question, which was about resources. What matters is whether we are going to give the police the technology to trace people on Twitter or BlackBerry Messenger or, as I said in my statement, on occasion to close them down. That is the step that we should be taking, rather than immediately launching into a discussion of resources in four years' time.

Charlie Elphicke (Dover) (Con): May I urge the Prime Minister to consider not just the amount of compensation and business continuity assistance, but its speed? Time is of the essence in getting businesses back on their feet, so that there are more jobs and money in communities that so badly need them.

The Prime Minister: My hon. Friend makes a very good point. I can say that the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk) will, from his office, be giving one-stop-shop advice to all Members of Parliament who have affected businesses that want to see that money flow quickly. It is very important not just to set up those schemes, but to make sure that the money is paid rapidly.

Mike Gapes (Ilford South) (Lab/Co-op): There are 1 million 11 to 19- year-olds in London. The Prime Minister has said a lot about children and young people, but he has not in an hour and a half said anything positive. Will he take this opportunity to make it clear that the vast majority of young people are decent, law-abiding, good people and they are appalled by their stigmatisation by the media. They are appalled, they are afraid. They are not criminals. They are just in fear at this time.

The Prime Minister: To be fair, in my statement I said that what had happened was in no way representative of the brilliant young people we have in our country. As I understand it, tomorrow there will be a meeting of people, I think in Westminster, saying very specifically that this was not done in their name. I applaud that and all the other initiatives by people who have stood up and said, "This was not done for me or has anything to do with me."

Dr Julian Huppert (Cambridge) (LD): The Prime Minister has linked social media to violence. Will he join me in congratulating the huge number of people who have used social media for positive activities such as organising clear-ups? I pay particular tribute to Cambs cops for telling people what was happening and getting rid of rumours. Will he accept those positive issues and agree that clamping down on social media could have damaging consequences?

The Prime Minister: The hon. Gentleman makes a good point. It is why the Home Secretary is going to explore the issue with the social media companies and other services. The key thing is that the police were facing a new circumstance. Rioters were using the BlackBerry service—a closed network—so that they knew where they were going to loot next, and the police could not keep up with them. We have to examine that and work out how to get ahead.

Gloria De Piero (Ashfield) (Lab): The Prime Minister has said that CCTV has proved highly valuable, so can he explain how he might make it easier for communities who want more CCTV to get more?

The Prime Minister: By making funds available. One of the first things I did in politics as a Home Office special adviser was to set up one of the first ever CCTV challenge funds so that communities could invest in it.

Mr Robert Buckland (South Swindon) (Con): Does my right hon. Friend agree that when it comes to punishment the courts need to put compensation of victims at the heart of their deliberations, whatever the income or means of the offender, and should deploy to their fullest effect the powers to confiscate the proceeds of crime?

The Prime Minister: I agree with my hon. Friend. He speaks with great expertise as he has practised criminal law. There may be opportunities in the forthcoming sentencing Bill to look at even further powers of confiscation to make sure we really get after these criminals.

Mr Chuka Umunna (Streatham) (Lab): On Sunday and Monday night we saw violence, looting and ransacking in my constituency and my borough. Some people out in the country have sought to attribute these acts to particular racial or religious groups. While we may not know the exact causes of all the events around the country, does the Prime Minister agree that people of all different religions and races were responsible and that to racialise this issue is gravely wrong and does our country a great misservice?

The Prime Minister: The hon. Gentleman makes an important point. This was not about race, it was about crime.

Stephen Williams (Bristol West) (LD): My constituency in Bristol West had violent disorder not only this week but in April, and we appreciate the strong words that the Prime Minister has used today. In dealing with the deeper issues in society, does he agree that people who feel marginalised from society are much more likely to listen to and then respect those strong words if people at the other end of the social spectrum not just in the board room, as the Leader of the Opposition said, but rather more popular people in society do not display such venal and conspicuous consumption behaviour that sets such a bad example for people who are following them?

The Prime Minister: The hon. Gentleman is right, but in setting out, as it were, a hierarchy of message, it is important to get it across that there is simply no justification for the sort of looting that we saw. There is no excuse for it.

Mr Pat McFadden (Wolverhampton South East) (Lab): I thank the Prime Minister for coming to Wolverhampton yesterday and meeting retailers who were affected by what happened, including Mr Sham Sharma, whose computer shop was ransacked and looted. What we have seen in recent days is what happens when order breaks down. When order breaks down there is no liberty; there is fear. The Prime Minister is right to say that those who did this are responsible, but Governments also have responsibilities. Will he reconsider his Government's plans to make CCTV harder for our communities to use instead of easier, and will he also look again at police numbers? The idea that the budgets cuts he is making will not affect numbers may look good as a line to take, but it will not convince the public—

Mr Speaker: Order. I am grateful to the right hon. Gentleman.

The Prime Minister: We are making sure that CCTV is properly regulated, but we do not want to restrict its use. CCTV is vital in the fight against crime, and I am 100% committed to it. May I say how much sense I thought the right hon. Gentleman spoke yesterday when he talked about the fine line between order and disorder and the importance of giving support to our police, including the excellent work done by the West Midlands force?

Several hon. Members *rose*—

Mr Speaker: Order. I am very keen to accommodate the interest of colleagues, but we are now starting to get mini speeches. It is entirely understandable, but it absorbs a lot of time. May I appeal to colleagues for brevity—a legendary example of which I know will now be provided by the hon. Member for Bury St Edmunds (Mr Ruffley)?

Mr David Ruffley (Bury St Edmunds) (Con): Her Majesty's inspectorate of constabulary has said that £1.5 billion a year can be made in police efficiency savings. Will the Home Office mandate collaboration to ensure that those savings are delivered, thus protecting the front line, which is what we all want to do?

The Prime Minister: My hon. Friend makes an important point. HMIC has said that those savings are available. It did not take into account the pay freeze for police officers, the increased pension contributions or some of the extra work that we have done to cut paperwork. That is why I feel so confident in saying that on average 6% cash reductions over four years should lead to no reduction in visible policing.

Ms Karen Buck (Westminster North) (Lab): We owe a debt of gratitude to our police services this week, but crisis policing is not an alternative to embedded, sustained, community policing. So I was disappointed when visiting damage in my constituency to talk to safer neighbourhood sergeants who are losing their jobs today and being made to reapply for them, as part of 300 safer neighbourhood job losses in London alone. The Prime Minister says that when circumstances change we must change. He must now change his policy of damaging the leadership of London's safer neighbourhood police service.

The Prime Minister: As I said, what we saw in London over the past few days, where we have 32,000 officers in the Met, was a greater deployment of more of those officers on to the street. Frankly, it was not good enough that there were only 3,000 deployed when this started. It shows how much can be done, getting up to 16,000 deployed, with help from outside. Those numbers will be available at all times in the future, even with the reductions that we are making in budgets.

Mr Tobias Ellwood (Bournemouth East) (Con): Today marks the start of a long, sober and difficult post mortem to find out why parts of our society chose to rob the very communities of which they are part. The Prime Minister implied that we must start by looking at the powers given to the police. May I ask him to assure the House that if the police choose to use water cannon they can do so without influence by Ministers? If necessary, they should also be allowed to close down mobile phone rebro masts, as was done after the 7/7 bombings, to make sure that we isolate the use of Twitter and Facebook, which allowed the mobs to be one step ahead of the police.

The Prime Minister: Of course conversations have to take place between the Home Office and the police about the use of different technologies or tactics. The point that the Home Secretary and I have been making over recent days is that they should feel free to examine whether they need these capabilities in the knowledge that they will have political support for doing what is necessary to keep our streets safe.

Barbara Keeley (Worsley and Eccles South) (Lab): The Prime Minister keeps referring to 16,000 police officers in London. We had them only because they came down in bus loads from places such as Salford, leaving the Greater Manchester police overstretched and unable to face down a violent crowd of 1,000 individuals. We have already lost more than 300 police officers. There is no case for any more cuts.

The Prime Minister: I do not think that the hon. Lady is being fair on the Association of Chief Police Officers and the Police National Information Co-ordination Centre system, which makes sure that police officers are sent to the areas where they are needed. Greater Manchester itself was getting mutual aid from other parts of the country.

Penny Mordaunt (Portsmouth North) (Con): The Prime Minister spoke of the significant number of young people who have no moral compass and no sense of community. On Monday I visited one of the pilot sites of the national citizenship programme and was impressed with what I saw. May I ask that when those pilots are audited and reviewed, and recommendations are made for the programme proper, the events of the past few days are taken into account?

The Prime Minister: My hon. Friend makes an excellent point. I feel passionately that national citizen service is a great idea for young people in our country and we want to make it available to as many young people as we can. We are piloting 30,000 places over the coming months and I look forward to visiting some of them. They will help to demonstrate what the hon. Member for Ilford South (Mike Gapes) spoke about, which is how many positive role models there are among our young people.

Angus Robertson (Moray) (SNP): Hundreds of specialist police officers have been deployed from Scotland's eight forces in support of colleagues in England, and it is right and proper that everything is provided to assist areas struck by rioting and disorder. Can the Prime Minister confirm what conversations he or the Home Secretary have had directly with the Scottish Government about that support?

The Prime Minister: I am not aware of any conversations, but I am aware of the excellent role that Scottish police officers played, particularly helping the West Midlands force. I saw for myself their impact when they arrived in Birmingham, and it is very good that our forces can co-operate in that way.

Andrew Selous (South West Bedfordshire) (Con): Will the Prime Minister pay tribute to police forces from outside London, such as Bedfordshire, which sent considerable numbers of officers to London and whose remaining officers have had to work greatly extended shifts, magnificently supported by large numbers of special constables, to keep policing going in Bedfordshire?

The Prime Minister: I certainly do. I support having local police forces; I was never in favour of large police mergers and the last 72 hours have demonstrated that we can have a system that gets the police officers we need in the places where we need them.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The police, courts and Crown Prosecution Service must be commended for their work around the clock to deliver swift arrests and charging decisions, but they have much more to do, not least to ensure that successful prosecutions are now delivered. Given the unprecedented nature of these events and the strain that the justice system is already under due to budget cuts, will the Prime Minister commit today to making additional resources available to ensure that justice can be delivered for victims?

The Prime Minister: At Cobra, there was not only a Justice Minister but also the Attorney-General, making sure that when a police force reported any problems with the local CPS we could work quickly to make sure that resources were put in place. We should continue that in the coming days, perhaps mostly at official level, to make sure that bottlenecks are dealt with.

Mr James Clappison (Hertsmere) (Con): I warmly welcome what my right hon. Friend said about robust sentencing. Although speedy justice is important, it should not be at the expense of unacceptable compromises. Surely all those who organise riots through misuse of social media, attack police, throw missiles or commit arson should face long sentences of imprisonment.

The Prime Minister: I agree with my hon. Friend. It has to be for the courts to set sentences, but they have tough sentences available and I am sure they will use them.

Mr Gerry Sutcliffe (Bradford South) (Lab): These are indeed difficult times and the safety of our communities is important. The Prime Minister talked about the Olympics and the damage to our international reputation. It was right that the England international was cancelled on Wednesday, but is it right that Premier League and Football League fixtures may be cancelled this week? What is the Prime Minister's view?

The Prime Minister: This was discussed at Cobra this morning. As I understand it, subsequent to that it has been decided that the Tottenham game against Everton should be postponed, but the intention is that other games in London, at the start of the Premier League season, should go ahead but perhaps starting earlier in the day. That sounds sensible, if it is indeed what has been agreed between the Premier League and the police.

Charlotte Leslie (Bristol North West) (Con): I thank the Prime Minister, and very much welcome the tangible provisions he has put in place in case, heaven forbid, such riots should ever happen again. The fact that there has been no consequence from criminal actions has been a problem that communities out there have been screaming about for years, from low-level antisocial behaviour to excrement put through letter boxes—just talk to people in Henbury in my constituency. Although I very much welcome the provisions for emergency situations, can the Prime Minister reassure me that the fact that criminal and antisocial actions have consequences will seep right down to the start of those problems in our local communities?

The Prime Minister: My hon. Friend speaks powerfully about this. It will be a wake-up call to the police on the way they work with communities, and will make them even more determined that even low-level disorder and violence must be punished quickly. We must look for good things to come out of this situation, and one good thing should be that the police will connect themselves even more deeply to communities, some of whom do feel let down.

Robert Flello (Stoke-on-Trent South) (Lab): I pay tribute to all the public sector workers we rely on time and time again, and in particular those in Staffordshire. Over many months, I have had letters from serving police officers concerned about the Winsor report and the knock-on effect on morale, and about A19 and losing senior officers. Now they are concerned about the fact that having been called on at our time of need—out on the streets, putting themselves in the firing line—they are having their leave cancelled and having to give up holidays due to overtime requirements. It was an hour and a half before we heard the words "Her Majesty's inspectorate of constabulary", and we have heard nothing about Mayor Boris Johnson's view about policing cuts. Will the Prime Minister finally get to his feet and address the loss of 16,000 jobs?

The Prime Minister: I do not know whether we need an inquiry into safety in the House, Mr Speaker, but someone seems to have stolen the hon. Gentleman's jacket.

I accept that we are asking police officers to do a difficult job and, yes, we are asking them to undergo a pay freeze, as other public sector workers are doing, but we are giving them the backing they want by cutting paperwork and enabling them to get out on the street and do the job they want to do.

Mr Speaker: I am grateful for the Prime Minister's concern, but I assure the House that nothing disorderly has happened. The hon. Member for Stoke-on-Trent South (Robert Flello) was perfectly in order. He was focusing not on sartorial matters but on violence, and he was perfectly in order. We will leave it at that. I ask the House to try to rise to the level of events.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I thank my right hon. Friend for his statement, particularly the support he is offering small and medium-sized businesses. As someone whose business has been directly affected, although not disastrously, I know the disruption it is causing. Will the Prime Minister assure me that no business will be lost and no livelihood subsequently lost because of the actions of those thugs and hooligans, and that the £20 million support fund, if deemed not big enough, will be increased to make sure that those things do not happen?

The Prime Minister: Of course we will keep the issue under review, and there is the Riot (Damages) Act as well as the £20 million scheme. I believe that should be enough, but my hon. Friend the Minister of State, Department for Business, Innovation and Skills will be on the case.

Caroline Lucas (Brighton, Pavilion) (Green): Violence is always to be condemned, but as the Prime Minister said, seeking to understand violence is a world away from seeking to justify it. Indeed, we ought to try to understand it to stop it happening in future. Given the growing evidence, from Scarman onwards, that increasing inequality has a role to play in drawing at least some people into violent behaviour, can the Prime Minister reassure the House that comprehensive impact assessments will be undertaken before his Government introduce any more policies that increase inequality?

The Prime Minister: Everyone wants to see a fairer and more equal country, but I have to say to the hon. Lady that young people smashing down windows and stealing televisions is not about inequality.

Matthew Hancock (West Suffolk) (Con): Will the Prime Minister join me in congratulating policemen from Suffolk and across East Anglia who came to London in support of their colleagues? Will he answer this question? My constituents were shocked to discover that only 3,000 of the 32,000 policemen in the Met were on duty. What are we going to do to change that and can we get cross-party support for it?

The Prime Minister: I certainly join my hon. Friend in praising Suffolk and other police forces in East Anglia and Essex who got police officers into our capital. The point I made about the deployment of officers is one of the lessons we have to learn about the ability to surge up numbers quickly when circumstances require it.

Dan Byles (North Warwickshire) (Con): Does the Prime Minister agree that no matter how good a job the police do in arresting people, too many thugs simply do not care if they are caught, because they have no respect for or fear of the criminal justice system? Until we resolve that, we will not be able to resolve the wider problem.

The Prime Minister: My hon. Friend makes a good point. There will be people arrested this time who casually entered a broken-down shop and nicked things, thinking it was somehow okay, who will get an almighty shock when they get a criminal record, and potentially go to jail—quite right too. But my hon. Friend is right to say that there is a hard core who are not frightened enough of the criminal justice system, and we need to make sure that they are.

Tony Lloyd (Manchester Central) (Lab): On behalf of the overwhelming majority of my constituents who were appalled by the organised criminality that trashed the centre of Manchester, I thank the Prime Minister for his phone call to me. There has to be a review of policing tactics, and he is committed to it. That may reveal that because police officers in Greater Manchester were working 12-hour shifts on the night Manchester was trashed, there is a real question about the numbers available. In that context, can the Prime Minister commit to the House that he will at least review the situation to make sure that numbers can never be an issue in not having uniformed police on duty when we need them?

The Prime Minister: Of course, we will look at all these issues, and ACPO, the Home Office and others will want to learn all the lessons. I would simply make the point that, because it was possible in Manchester, London, Wolverhampton and elsewhere to surge the numbers up more rapidly on Tuesday, it would have been possible on Monday. This is not to criticise the police—no one can get everything right when they are dealing with these difficult situations—but we have got to look at the surge capacity, rather than pretending that this is all about resources in two, three or four years' time.

Mr David Burrowes (Enfield, Southgate) (Con): My constituents will commend the Prime Minister's statement and the Leader of the Opposition's sentiments, which are in marked contrast to those of the former London Mayor, whose shameful comments seeking to justify the riots that wreaked havoc in places such as Enfield should be condemned by all the House. Although we provide unqualified support to our police, is this about not just resources but empowering our police—perhaps to get their hands on water cannon or rubber bullets, but to free them up by reducing both the time that it takes to process individual arrests and this risk-averse culture, which is tying their hands?

The Prime Minister: As my hon. Friend used to work as a solicitor, he knows well that far too much time is taken up in paperwork after an arrest is made. We need to cut down that paperwork. Joint working between the

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police and the CPS is already helping with that. Virtual courts are helping, and the 24-hour courts that have been working around the clock have made a big difference, too.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): The vast majority of people in Scotland share the anger and frustration of the victims of these crimes, but they are extremely disappointed at the First Minister's statement that this is an English problem. I welcome the Prime Minister's statement that he will seek advice from Strathclyde police. Will he extend that to the judicial system in Scotland, which took seriously the concerns of the police and community and imposed appropriate sentences?

The Prime Minister: I will certainly look at what the hon. Gentleman says. I particularly admire the work that Strathclyde has done on gangs, and I want to ensure that we learn that across the United Kingdom.

Jane Ellison (Battersea) (Con): The day after the riot and looting at Clapham Junction in the heart of Battersea, my constituency, we saw the inspiring sight of the broom army of volunteers coming together—many of them young people—to do something really positive. As well as wanting to reclaim streets, which I am afraid they did at times feel had been abandoned, they also wanted to express solidarity with local shopkeepers and businesses. I very much welcome what the Prime Minister has said on business rate suspension, but will he commit the Government to do all they can to support everyone locally who wants to ensure that we keep those vital businesses going and attract more businesses into our cities and town centres?

The Prime Minister: I certainly back what my hon. Friend says, and I know that she will be on to the Departments for Business, Innovation and Skills and for Communities and Local Government on behalf of her constituents. Let me say how much I admire the broom army, not just in Clapham but in other parts of our country. People came together to say that they did not want to put up with this and that they wanted to clean up their neighbourhoods. They are the best of British.

Jon Ashworth (Leicester South) (Lab): The Prime Minister will be aware that, in Leicester city centre, in my constituency, we had some instances of thuggish criminality, but thankfully not on the scale of other cities. However, the most disgraceful incident was the torching of Age Concern's ambulance bus, which takes many frail, elderly people to day care on a daily basis. Will the Prime Minister consider putting aside emergency funds—a pot of money—to which charities can apply, so that they can replace facilities that were destroyed in these riots?

The Prime Minister: I agree with what the hon. Gentleman says. Some of the things, places and people who were attacked were truly shocking. For people to attack the sort of facility that he talks about really is appalling and should make us stop and think about what has happened in our country. On getting compensation and money, I have set out the schemes, all of which, I think, will be available to the sort of charity that he speaks about.

Nicola Blackwood (Oxford West and Abingdon) (Con): I join the Prime Minister in praising the bravery of the emergency services and echo the disbelief of the House that children as young as 11 and 12 have been involved in the violence and criminality of the past few days. Can the Prime Minister tell the House whether the age of any of the rioters prevented the police from using anti-riot techniques?

The Prime Minister: I will certainly look at what my hon. Friend says. Of course, the age of criminal responsibility is 10, and we do not have any proposals to change that, but she raises an important issue about whether the police at any moment needed to hang back because of the very young age of the looters—some of the people doing the looting were under the age of 10—and I will certainly get back to her about that.

Clive Efford (Eltham) (Lab): For the past two nights in my constituency, I have had a very heavy police presence, owing to right-wing extremist groups focusing on Eltham and trying to create unrest and bad feeling between different racial groups. Although we want to support people who are public-spirited and come out to defend their communities, as some of my constituents have done, will the Prime Minister join me in asking those people not to be diverted from their efforts by those extremists who seek to exploit the situation?

The Prime Minister: The hon. Gentleman speaks not only for his constituents, but, frankly, for the whole House in deprecating the English Defence League and all it stands for. On its attempt to say that it will somehow help to restore order, I have described some parts of our society as sick, and there is none sicker than the EDL.

Duncan Hames (Chippenham) (LD): It will soon be 50 years since the last royal commission on policing, and the Prime Minister today has alluded to some of the changing challenges that the police have faced in that time. Since it is at least as important to be able to mobilise police officers as to consider absolute numbers, will he consider the case for a fresh royal commission?

The Prime Minister: I am afraid that the need to reform and modernise the police and policing is more urgent than that. It is often said that royal commissions take minutes and last for years. I do not think that we have got years; we need to get on with the job now.

Rushanara Ali (Bethnal Green and Bow) (Lab): When rioters spilled into the heart of my constituency on Monday night, local people of all backgrounds came together from businesses, mosques and the wider community. With the police, they stood in peaceful resistance to keep out the rioters and helped to keep the community safe. We are now faced with the threat of the English Defence League coming to my constituency in September. Despite requests to the police before these riots and to the Home Secretary, we have no affirmation that there will be a ban. Will the Prime Minister consider legislation, if necessary, to stop the EDL marching and to prevent static demonstrations from taking place?

The Prime Minister: As the hon. Lady will know, a process has to be followed whereby the local authority and the police have to apply to the Home Office for a ban. They should follow that process, and we will try to ensure that the right thing happens.

James Morris (Halesowen and Rowley Regis) (Con): My constituents are understandably angry about the violence in nearby West Bromwich and the centre of Birmingham. Does the Prime Minister agree that the most important thing now for the people of the black country and the west midlands is that the Government are seen to stand up for the law-abiding majority in our country?

The Prime Minister: My hon. Friend is entirely right. I was very struck at the meeting that I had in Wolverhampton with shopkeepers and residents that they simply want to ensure that the Government and the police stand up for the law-abiding, take back the streets and make sure that they belong to the law-abiding people of our country.

Yasmin Qureshi (Bolton South East) (Lab): Will the Prime Minister confirm whether the Bellwin scheme will operate at 85% or 100%, as it did under Labour for flood victims?

The Prime Minister: The Bellwin scheme will operate in its normal way, so there will be a threshold, but we are putting in place an alternative scheme that does not have a threshold or a maximum and minimum and that will be available through the DCLG.

Amber Rudd (Hastings and Rye) (Con): The cities have been the victims of the violence and criminality, but is the Prime Minister aware that, throughout the country, such as in my community in Hastings, there were rumours and counter-rumours and social media activity about gangs meeting and that only the good work of community leaders and our local police stopped anything kicking off?

The Prime Minister: My hon. Friend makes an important point. A lot of those rumours were circulating. Although the use of social media helped gangs to do bad things, it also helped the law-abiding to know what was happening and how to react and stop it.

Mr Kevin Barron (Rother Valley) (Lab): Violence against others and theft should clearly be dealt with by the criminal law, but does the Prime Minister accept that removing people from social housing for unacceptable behaviour and putting them in social housing in other communities, taking that unacceptable behaviour with them, does not solve the problem?

The Prime Minister: It can be part of solving the problem; it says to people in social housing, "If you misbehave, you can be thrown out of your house."

Dr Phillip Lee (Bracknell) (Con): I congratulate Thames Valley police on the support that they provided in London in recent days. Does the Prime Minister agree that relative poverty is no excuse for having no values?

The Prime Minister: My hon. Friend is right. Of course, we all want to see a country where opportunity is more equal, where people can go from the very bottom to the very top and where our schools are engines of social mobility, but the point that he makes is right: there is no excuse for the sort of law breaking, looting and violence that we saw.

Bill Esterson (Sefton Central) (Lab): Merseyside police say they will lose 880 police officers, with neighbourhood officers most at risk. Sir Hugh Orde says that "grass-roots neighbourhood policing" is key to policing in this country because of the effectiveness of building relationships and trust over the long run. Will the Prime Minister listen to Sir Hugh and reverse the cuts before long-term damage is done to the police's ability to protect the public?

The Prime Minister: Chief constables up and down the country are now coming out and explaining how they will achieve these relatively modest budget reductions—6% in cash terms over four years—while maintaining the rate of visible policing. Labour committed to £1 billion of policing cuts; it would have had to do exactly the same as we are doing.

Mr Lee Scott (Ilford North) (Con): Will the Prime Minister join me in congratulating Sue Williams and the team in Redbridge on everything they did during the recent troubles and note the fact that what has changed in the past two days—I thank him and the Home Secretary for this—is that we have taken the handcuffs off our police and allowed them to do the job they want to do?

The Prime Minister: I certainly join my hon. Friend in paying tribute to his constituents and all those who played an important part in bringing some sanity back to London's streets.

John Robertson (Glasgow North West) (Lab): The Prime Minister has exalted CCTV, and rightly so. Does he agree with me that it can deter people from breaking the law? If so, will he look at the Protection of Freedoms Bill, which he obviously has not done yet, and change it so that local councils are allowed to put up CCTV cameras in areas such as those where riots took place?

The Prime Minister: Local councils can put up CCTV cameras and they will continue to be able to do so. We can all see how effective CCTV is when we see people walking out of court trying to hide their face because they know that is how they got caught.

Oliver Heald (North East Hertfordshire) (Con): Does the Prime Minister agree with me that those who are found guilty of committing crimes during the riots should be forced to face up to the full consequences for both their communities and individual victims of the damage they have done? That means tough sentences, but should it not also mean reparation? Does he agree that those young people should be forced to listen while the victims of their crimes explain what the damage to communities means, the jobs that will be lost, the damage to buildings and the sense of tragedy that many feel?

The Prime Minister: My hon. Friend is right. We should use all means to bring home to those criminals the damage that they have done to their communities and to local people, and he makes a number of suggestions in that regard.

Barry Gardiner (Brent North) (Lab): Does the Prime Minister accept that the events of the past five nights in London have changed the nature and context of the

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debate about police cuts? If he persists with them, the people of London will not understand and they will not forgive. Even his own party's Mayor now opposes him on that policy.

The Prime Minister: I do not agree with the hon. Gentleman. I think that people in London will understand our saying that, over four years, police forces have to make cash reductions to the budget and live within those means. People in London have seen over the past three days what can be done when numbers are surged and police are brought out from behind their desks and on to the streets—from 3,000 to 16,000 in just two days.

Mark Reckless (Rochester and Strood) (Con): The Prime Minister speaks for the public on sentencing, but the guidelines are set by a quango. Will my right hon. Friend look again at the Sentencing Guidelines Council and consider transferring its powers either to Parliament or to the locally elected police and crime commissioners?

The Prime Minister: My hon. Friend makes some interesting suggestions. I have always felt that the Sentencing Guidelines Council should be properly scrutinised by Parliament. We are considering the right way for Parliament to express its views on the contents of that very important set of documents.

Mr Dave Watts (St Helens North) (Lab): May I give the Prime Minister the opportunity to dispel the confusion about his policy on surveillance cameras? Today, he seemed to say that he wants to see more of them, but the coalition agreement he signed up to says that the Government want fewer. Which is it?

The Prime Minister: We want to see them in the right place, properly regulated, and that may well mean more of them.

Philip Davies (Shipley) (Con): Can the Prime Minister tell the House how many people have been charged under part I, section 1 of the Public Order Act 1986 with the specific offence of riot, which carries a maximum sentence of 10 years in prison? Does he agree that that would result in people being given the sort of sentences that the public demand, and will he make sure that the CPS does not undercharge people to get convictions, which will end in people getting lighter sentences that they deserve?

The Prime Minister: I cannot give my hon. Friend figures on which specific part of the Public Order Act people have been charged under, because, as he will know, that Act, which has really stood the test of time, has many parts under which charges can be laid. The latest figures that I have state that, in London alone, 880 people have been arrested and more than 370 have already been charged.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): At a meeting this morning attended by a number of London Members of Parliament of all parties who, like me, are concerned about the impact of the riots on their constituencies, the Mayor of London made it perfectly clear that these events made an overwhelmingly powerful case for reconsidering the cuts in the police budget, which will have an adverse impact on the number of police available on the beat. The Prime Minister has been unwilling to listen to Opposition Members, but will he listen to the views of that member of his own party, who is the one elected person other than a national politician with responsibility for policing?

The Prime Minister: Today, as we speak, only 12% of police officers are on the beat at any one time. I simply refuse to accept that we cannot get better value for money and cut paperwork so that we get the more visible policing that everyone wants. The Labour party seems to be completely intellectually idle about even considering changes that could be made that would increase the visibility of police in our communities.

Richard Harrington (Watford) (Con): Does the Prime Minister agree with me that, for rioters, the biggest deterrent is not being brought to the courts and being convicted, but the courts handing down what the right hon. Member for Salford and Eccles (Hazel Blears) described as some stiff sentences?

The Prime Minister: First, I think the greatest deterrent to such people is not just the sentence, but knowing that they will be arrested and put in front of a court. That is why the strength of numbers of police on the streets lifting and arresting people is vital. Secondly, when events such as these take place, it is perfectly possible for courts to set some exemplary sentences, to send out a clear message, and I for one hope they will do just that.

John Mann (Bassetlaw) (Lab): Last Wednesday, it was determined that all nine police cells in Bassetlaw would be immediately closed. Does the Prime Minister instinctively agree with me and local police officers that now is not the time to be closing police cells?

The Prime Minister: It is very important that we have a good network of police cells in our towns and cities, so that officers do not have to drive for miles after making an arrest. That is why cutting some of the paperwork and bureaucracy that has led to some of the cell closures is so important.

Mr Ben Wallace (Wyre and Preston North) (Con): Too many times recently, we have seen the Metropolitan police force try to straddle its two main functions: leading specialist national operations and policing London. When the dust settles, will the Prime Minister consider the merits of the case for splitting the Met to ensure that we have a police force for London focusing on public order and low-level criminality, and perhaps an enhanced agency for specialist national operations?

The Prime Minister: I hear what my hon. Friend says, but with a year to go to the Olympics, I think that sort of major structural change to the Metropolitan Police Service simply would not be right.

Ian Lucas (Wrexham) (Lab): The criminal justice system in north Wales coped admirably with civil disturbances in Wrexham in 2003 for two reasons: there was good use of CCTV evidence and immediate imposition

of stiff custodial sentences. Why is the Prime Minister presiding over a Government who are making both those things more difficult?

The Prime Minister: We are not.

Tom Brake (Carshalton and Wallington) (LD): Following these disturbances, does the Prime Minister think that the public will believe that now is the right time to spend £150 million on elections for elected police and crime commissioners?

The Prime Minister: I think that when people think about the events of recent days, they will conclude that police authorities, which have been relatively invisible and which I do not believe call the police to account, have not done a good job over the years. I think that having an individual to whom the police are accountable, which is what happens in London, is a far more powerful way to make sure that there is a proper conversation between elected individuals and police chiefs.

Kerry McCarthy (Bristol East) (Lab): Given that we have had a year of social unrest, from the student protests and direct action against the cuts to the looting of the past few days, as well as the riots in Bristol a couple of months ago, all of which have put pressure on our police forces, I urge the Prime Minister to listen to the chair of my local police authority, who wrote to me overnight to say the last thing the authority needs at the moment is the disruption and distraction of elections for police commissioners.

The Prime Minister: Of course police authorities do not welcome the fact that they are being replaced, but I think that it is right that they are being replaced, because they have not done a good job at calling police chiefs and police forces to account. We need a new system for doing just that.

Damian Collins (Folkestone and Hythe) (Con): The Prime Minister was right to say that the riots not only appalled all law-abiding people in this country, but shocked people watching around the world. In the light of the riots, will the Government be prepared to review the policing arrangements during the Olympic games period, when understandably the police in London and in my own force in Kent will be highly committed?

The Prime Minister: We believe that we have good security measures in place for the Olympic games. We keep them under review. There will be very intense meetings from the autumn onwards to the Olympic games, chaired by my right hon. Friend the Home Secretary, to make sure that we do everything possible to make the games not only a success, but a safe success.

Emma Reynolds (Wolverhampton North East) (Lab): As the Prime Minister is aware, businesses in Wolverhampton bore the brunt of the criminal activity on Tuesday night. I am sure he will agree that now is the time for Members across the political divide to work together. I say gently to him that next time he arrives at the train station in Wolverhampton, I will be there ready to welcome him. With regard to what he said to gangs, can he reassure me and my constituents that as well as looking at punitive measures, he will look at measures and perhaps additional resources to strengthen community organisations, which are well placed to reach out to young people to stop them joining gangs in the first place?

The Prime Minister: I am sorry I missed the hon. Lady in Wolverhampton yesterday and I will try and make up for that in future. I met the right hon. Member for Wolverhampton South East (Mr McFadden), however, the former Trade and Industry Minister, who is no longer in his place, so it was not any party issue. The hon. Lady makes a good point about what local government can do with voluntary bodies to thicken society in our constituencies, and I applaud that wherever it takes place.

Mr Robin Walker (Worcester) (Con): In addition to providing substantial mutual aid to the west midlands police force and keeping up numbers on the streets of Worcester, the West Mercia police have made a number of arrests in the past few days for inciting public disorder through social media. Will the Prime Minister join me in commending that front-footed, proactive policing approach, but also make sure that the police and the courts have the powers that they need to pursue not just the perpetrators, but the organisers and inciters of this criminal violence?

The Prime Minister: My hon. Friend makes a good point. We have to make sure that people who use this new technology for evil purposes are properly prosecuted and convicted, and I am sure they will be.

Natascha Engel (North East Derbyshire) (Lab): One of the ways in which ordinary people are trying to get their voices heard is by going on to the Government's new e-petitions website and signing a petition that was posted only two days ago, which has already got up to almost 100,000 signatures asking for the rioters to have their benefits withdrawn. How will the Prime Minister meet those raised expectations and say to the 100,000 people who have signed that e-petition that something will happen as a result of visiting a Government-sponsored website?

The Prime Minister: One of the points of the new e-petitions website is to make sure that if a certain level of signatures is reached, the matter will be debated in the House, whether we like it or not. That is an important way of empowering people. There may be opportunities, possibly through the new criminal justice and sentencing legislation, to make sure that we are better at confiscating things from people when they commit crimes. We must look at all the ways we can of making sure that our punishments are robust.

Dr Sarah Wollaston (Totnes) (Con): As a former police surgeon, I have personally witnessed the great professionalism of our police forces in the face of extreme provocation. This week they have faced extreme violence as well. At all times they have been identifiable and therefore accountable. Is it time for us to make it an offence for anybody involved in rioting and demonstrating to cover their faces, so that they too can be both identifiable and accountable?

The Prime Minister: The hon. Lady makes an important point. In my statement I said that we would extend the power that the police have—at present they can do it

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only in limited circumstances with limited people—so that they have a more blanket power of insisting that people remove face masks.

Lilian Greenwood (Nottingham South) (Lab): People in Nottingham are understandably shocked and very frightened by some appalling incidents in some parts of our city on Monday and Tuesday nights. I want to pay tribute to Nottinghamshire police for bringing the situation under control and arresting those responsible. What plans does the Prime Minister have to meet residents and community leaders in Nottingham to listen to their concerns and hear what they believe needs to be done to learn the lessons of recent days?

The Prime Minister: It is important that Ministers make a number of visits, as I have been doing over recent days and will do over coming days. I think the Deputy Prime Minister plans to visit Nottingham very shortly. I do not plan to do so at present, but I will be trying to get to as many parts of the country as I can.

Mr Julian Brazier (Canterbury) (Con): I welcome my right hon. Friend's statement, in particular his comments on more robust policing and more tools being made available to the police. May I urge on him the fact that for police officers and their commanders in particular to be willing to take greater risks, rather than have their men stand by, entails recognising that sometimes those actions will have grave unforeseen consequences? Police commanders need to be supported then.

The Prime Minister: We must always back the police when they do the right thing. Much has been said about the police, police tactics and so on. Every year I attend—I know the leader of the Labour party also goes—the police bravery awards. There one sees police officers who have done extraordinary things—confronting people with guns and knives when they do not even have any body armour. So let it be on the record in the House that individual officers do incredibly brave things every day, and we praise them for it.

John Cryer (Leyton and Wanstead) (Lab): It actually took four nights, not two nights, to put 16,000 police officers on the streets of London. That put businesses and people in danger, including my constituents. So far I have not heard a convincing explanation as to why that took so long. Can the Prime Minister give one?

The Prime Minister: In the end, the deployment and the numbers are an issue for the Metropolitan Police Commissioner, and that is a question that he will have to answer. It was a different situation Sunday night to Monday night to Tuesday night. We must look at that in finding the answer. The point that I was making is that it is possible to surge. The police demonstrated that that was possible, but we needed to surge more quickly.

John Hemming (Birmingham, Yardley) (LD): The Prime Minister shares my concern about the children on the streets and the importance of parental responsibility and parental discipline. Does he share my concern that certain parents say that the public institutions from time to time undermine parental authority, and that that issue needs to be looked at as well?

The Prime Minister: I agree with my hon. Friend. As I said, we should test Government policy by whether it improves responsibility or undermines it.

John McDonnell (Hayes and Harlington) (Lab): I regret the response that the Prime Minister gave to the hon. Member for Brighton, Pavilion (Caroline Lucas), but I thank him for the words of tribute that he paid to firefighters. As the secretary of the Fire Brigades Union parliamentary group, may I ask him whether the commitment that he has given to police authorities to stand by any additional costs applies to fire authorities as well? A thousand firefighter posts have been cut over the past year and there are real concerns about overstretch.

The Prime Minister: The point that I was making about the police is that they have to stand behind the Riot (Damages) Act. That is why it is important that the Home Office stands behind them. It is not an analogous situation to that of the fire brigade.

John Glen (Salisbury) (Con): The Prime Minister rightly identified new and unique threats that the police have faced in recent days. What new and unique solutions does he think will be necessary to deal with the underlying causes of this social unrest?

The Prime Minister: On the first part of the hon. Gentleman's question, the police themselves will want to review what happened when there were large numbers of different groups looting in different parts of the country at the same time. They will want to work out how to address that—what tactics are needed and how to make sure they get arrests made more quickly—and the Home Office will want to work with them in that endeavour.

Hugh Bayley (York Central) (Lab): In North Yorkshire, public order officers have been sent to London, Birmingham and Manchester. The consequence has been that all rest days have been cancelled. Police officers are now working 12 hours on, 12 hours off around the clock, and there is no more fat to cut. Will the Prime Minister give the House an estimate of how much in Bellwin money, Riot (Damages) Act money and other compensation the public purse will have to pay out? Would it not make sense in future years to spend that money on the police instead of on paying for the cost of disorder?

The Prime Minister: I cannot give an estimate of what will be paid out under Bellwin or under the schemes that we have established today because that will depend on the demand that comes from local authorities, but there is a huge amount of money and resources available. I do not agree with the hon. Gentleman's idea that somehow if we had spent more on the police this year, that would have prevented the disorder that took place. The causation is entirely the wrong way around.

George Freeman (Mid Norfolk) (Con): Does my right hon. Friend agree that the outbreak of mob rule this week has been incubating during a decade of irresponsibility across our society in banking, football, media and, dare I say it, in politics and the welfare state? We are witnessing the consequences of a politically correct, debt-fuelled, anything-goes consumerist culture. Far from the debt crisis being the cause of this criminality, it is a vital

opportunity for us to wean our young people off a shallow celebrity culture and restore some old-fashioned virtues of thrift, personal responsibility and respect for the law.

The Prime Minister: My hon. Friend makes some important points about the culture that has grown up, which people will want to consider in the coming days.

Chris Bryant (Rhondda) (Lab): I commend the Prime Minister for being extremely reluctant to send in the troops, because when the troops were sent into Tonypandy by a Liberal Home Secretary 100 years ago to try to deal with the riots there they made the situation worse rather than better. But does not that place all the more emphasis on ensuring that there are enough people in police uniforms on the street able to do a robust job? He commends Welsh police forces for sending people down to London, but in the next four years we will have 1,200 fewer police officers in Wales and it will be more difficult for us to help London out.

The Prime Minister: In Wales, as in England, there are opportunities to get officers out from desk jobs, HR jobs and IT jobs. Opposition Members shake their heads. That is what is so hopeless about them—a sense that there is no reform that can be made to try to get better value for money. That is why, frankly, the country is not listening to them.

David Morris (Morecambe and Lunesdale) (Con): Will the Prime Minister share with me his gratitude to Lancashire police for sending 76 police officers to help out in London, and will he convey to the Opposition that, at my insistence 12 months ago, Lancashire police found a way of keeping their PCSOs, preventing two of my constituents from fuelling violence and rioting in my constituency and in Lancaster?

The Prime Minister: I certainly pay tribute to the Lancashire force and to other forces who acted quickly under the PNICC system to make forces available in London, Manchester or the west midlands where they were most needed.

Jack Dromey (Birmingham, Erdington) (Lab): Following the tragic killing of three young men in Birmingham, the city faced its most dangerous moment in a decade. Will the Prime Minister join me in paying tribute to our brave police, under the inspirational leadership of Chief Constable Chris Sims, and all that is best in our community, Tarik Jahan and my hon. Friend the Member for Birmingham, Ladywood (Shabana Mahmood), who acted to hold the community together so that Birmingham could say with one voice, "We will not be divided"?

The Prime Minister: I agree wholeheartedly with the hon. Gentleman. I was extremely impressed when I went to the West Midlands control centre and saw that Chris Sims was spending as much of his time on meeting and talking with community leaders and representatives as he was on planning to ensure that there were the right number of police on the streets throughout the west midlands. It was very impressive. It showed the community coming together. Birmingham city council played a big role as well, and I pay tribute to all those who did a model job.

Joseph Johnson (Orpington) (Con): Will the Prime Minister join me in paying tribute to the 1,300 voluntary special constables who played a vital part in restoring calm in the capital on Tuesday? Will he also take note that many special constables, including one in my constituency, Orpington, struggled to secure permission from their employer to enable them to take part in the surge effort, which was eventually so successful?

The Prime Minister: My hon. Friend is entirely right. There has recently been a growth in specials in some forces and that is hugely welcome, but we need employers to show a sense of social responsibility to release them rapidly for service when they are needed.

Simon Danczuk (Rochdale) (Lab): I welcome the £20 million fund for high street businesses, but the problem is that 48,000 retailers have been directly or indirectly affected by the riots. Is the fund enough, and how will it work?

The Prime Minister: The £20 million fund is available from the Department for Business, Innovation and Skills, but there is also the Riot (Damages) Act, which dates back to 1886 and may be another measure that the Liberals were responsible for, which enables businesses that have been affected by riot to claim the money from the police service, which the Home Office can stand behind.

Mary Macleod (Brentford and Isleworth) (Con): As a London MP, I was shocked and horrified by the scenes of criminality, violence and looting in this great city of ours during the last week. What was evident was the complete lack of respect and discipline among those who did it. Will the Prime Minister reassure the House that he will work closely with schools to make sure that we can improve this for the future?

The Prime Minister: I will certainly do that. In the task of trying to make a more responsible society where people live up to their responsibilities, schools will play a major part.

Several hon. Members *rose—*

Mr Speaker: Order. I remind the House that Members who were not here at the start of the statement should not now be standing in the expectation of being called.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Scottish police assisting their English colleagues is part of the benefit of the Union, but why is it that from the beginning of the riot the Government have given the impression of being behind the curve, always paying catch-up, doing too little, too late? Is there not more than a whiff of incompetence?

The Prime Minister: Of course, I do not accept that, but I do accept what the hon. Gentleman says about the Union. It is important that forces come to each other's aid, and if there were problems in Scotland, English forces would do the same thing.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Many of my constituents in Shrewsbury have watched in horror the events in some of our cities, and they have

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written to me overwhelmingly to ask when we will have tangible and enforceable penalties for parents who do not discipline their children.

The Prime Minister: As I said earlier, there are parenting orders. They can be used, they can involve parents paying quite hefty fines, and I very much encourage their use at this time.

Helen Jones (Warrington North) (Lab): The Prime Minister is quite right that our first duty is to ensure that people are safe and to bring criminals to justice, but when that has been done there are serious issues to be considered, not only about policing, but about employment and education, the values we transmit as a society and the direction in which we are going. These cannot be considered by one Select Committee, so will he rethink his view on setting up a commission of inquiry into what lies behind these riots, so that we will ensure that they are never repeated?

The Prime Minister: As I said earlier, this is only a week from the very starting event that triggered the process, so having a Home Affairs Committee inquiry to start with is right. The hon. Lady mentions the economic circumstances, but I checked this morning and in a three-mile radius from Tottenham more than 1,300 apprenticeships are available for young people. That is yet another example of attempts to try to link this to economic circumstances or to try to find some excuse for it, which is completely wrong.

Tessa Munt (Wells) (LD): The film and print media have shown us footage and photographs of incidents such as people torching shops and they have interviewed looters and rioters. They would say that we have a right to information, but they should recognise that they also have a duty and responsibility, as members of society, not just spectators, to report what they see to the authorities. Can the Prime Minister confirm whether reporters have called the police at the time they saw these things happening, whether the media have handed over their film and recordings, and whether that evidence will be accepted in our courts of law?

The Prime Minister: I cannot give the hon. Lady that assurance. What I can say is that media organisations, like others, have responsibilities and should act on those responsibilities. That sort of evidence can be admissible in a court of law.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I join the Prime Minister in praising the police, particularly those in Harrow, who earlier this week successfully prevented disorder from breaking out, but may I take this opportunity to point out to him that decisions taken by the Mayor of London are already leading to police sergeant posts being axed in my constituency and that a valuable local police station is set to close as a result of those decisions? May I therefore add my voice to those urging him to think again about police budgets?

The Prime Minister: I can only repeat that there are 32,000 officers in the Met and there is a perfect capability to surge that number of officers when necessary. I do not believe that the sort of reductions in budgets that are planned over the next four years should lead to any reduction in visible policing, whether in London or elsewhere. There are police officers working in IT, HR and desk jobs that can be civilianised so that police can be released for the front line. Because the Government are taking difficult decisions about police pay and allowances, we will not have to make the reductions in police numbers that the cuts proposed by the Labour party would have meant.

Andrew Stephenson (Pendle) (Con): I join my hon. Friend the Member for Morecambe and Lunesdale (David Morris) in paying tribute to Lancashire police, who did not just send officers down to London but also sent officers to support Greater Manchester police. Following the arrest of a 25-year-old in Nelson in my constituency for inciting people via Facebook, will the Prime Minister say more about what is being done to ensure that social networks are used as a force for good rather than for evil?

The Prime Minister: The Home Secretary is going to have meetings with some of those organisations, but even before that they should recognise their own social responsibilities and stop broadcasting the images if they are inappropriate.

Kate Green (Stretford and Urmston) (Lab): Like many others, I was shocked by the extreme youth of some of those perpetrating the criminal activity earlier this week, but children who are engaged in criminal activity are also children in need. Can the Prime Minister confirm that our youth offending services will be properly equipped and supported to provide the multi-agency interventions that are needed to redirect those young people from a future of crime?

The Prime Minister: Yes, I can. We are making changes to the youth justice system, but that is really to incorporate it within the Ministry of Justice, where I think we will be able to make it more efficient and work better.

Rehman Chishti (Gillingham and Rainham) (Con): The Prime Minister attracted enormous criticism years ago when, as Leader of the Opposition, he made a speech tackling the consequences of family and societal breakdown. I urge him to return to these themes; he was right then and he is right now. I also ask him to congratulate Kent police on their excellent work in making our streets safe. On Monday night, youths from London came to Gillingham to try to set businesses alight, but they were detected, prevented from doing so and put before the courts within 24 hours.

The Prime Minister: I certainly pay tribute to the Kent police force, which does such a good job. My hon. Friend referred to a speech I made about the importance of addressing the problems of family breakdown and irresponsibility. These are not easy things for politicians to talk about, because our families can also break down and we fail on many occasions, but it is too important a subject to ignore.

Frank Dobson (Holborn and St Pancras) (Lab): We all welcome the Prime Minister's praise for the individual police officers, firefighters and ambulance and emergency staff. Will he now follow up his warm words with warm action and abandon his proposals to undermine the pension arrangements of those self same firefighters, ambulance staff and policemen?

The Prime Minister: We are taking action on the advice of Lord Hutton, the former Labour Secretary of State for Work and Pensions, who has written a very good report. He makes certain exceptions for uniformed services. It is a very sensible report that I am sure the right hon. Gentleman will study.

Greg Mulholland (Leeds North West) (LD): One of the many abhorrent aspects of the recent disorder was the threat of violence against our brave firefighters, and yet the relevant legislation is insufficiently clear. There is no specific offence of threatening a firefighter and the Emergency Workers (Obstruction) Act 2006 allows for only a £5,000 fine. Considering that the firefighters are defending not only homes and business but lives is it not now time to revisit this and make an appropriate and strong custodial sentence the presumption?

The Prime Minister: When we hear about people attacking firefighters who are trying to put out fires, it is absolutely appalling and unforgiveable that that can happen in our country. I know that the issue of giving specific public servants specific protection has been looked at in the past in criminal justice legislation and I dare say that we can look at it again, but I think that any court using its discretion and judgment would want to give a pretty exemplary sentence to anyone viciously minded enough to attack a firefighter when they are trying to put out a fire.

Several hon. Members *rose—*

Mr Speaker: Order. Notwithstanding the very heavy taxation of the Prime Minister's knee muscles, I am inclined to continue and accommodate the remaining Members who wish to contribute, but I urge colleagues to help me to help them by being brief.

Mr David Anderson (Blaydon) (Lab): I was genuinely saddened to hear the Prime Minister's response to my right hon. Friend the Member for Rother Valley (Mr Barron) on the proposal to evict the people responsible for this damage from social housing. Some of us from the communities that have been on the receiving end of the damage and seen stable communities destroyed by these acts really know what we are talking about, so may I ask the Prime Minister to think about this and engage with us before pursuing the matter?

The Prime Minister: Perhaps I can arrange for the Minister for Housing and Local Government, who has worked very hard to deliver this policy, to contact the hon. Gentleman. If people in social housing behave appallingly, it should be possible to evict them and keep them evicted.

Greg Hands (Chelsea and Fulham) (Con): My constituents have also been victims of some of the disorder in recent days and strongly welcome the much tougher policing that has been launched since Monday night. The Prime Minister mentioned Bill Bratton, who has done such fantastic work in reducing crime in Boston, New York and Los Angeles. Can he mention some of the things that we might be able to learn from the excellent beat and street policing that has been used in many cities in the United States for the past 17 years?

The Prime Minister: This work that is done in the United States is also done in the United Kingdom. One thing we can do is work harder to map and understand how many gangs there are, what their membership is and what they are doing so that we have better intelligence, but I am sure that there will be many things I can discuss with Bill Bratton when he comes to meet me shortly.

Fiona Mactaggart (Slough) (Lab): The Prime Minister said he did not want a sterile debate on resources, which I do not think any of us wants, but there is a division of views on whether there are sufficient police available to deal with this. I would like to praise the police in my constituency for the way they helped to avoid these events affecting Slough. If he is right that there are absolutely sufficient numbers of police, perhaps he would agree to ensure that we have a regular report to Parliament telling us how many police are available and how many are trained to deal with riots so that we can know the real facts.

The Prime Minister: I would welcome that, because the point is that the police availability figure today is only 12% of police officers on the beat at any one time. The hon. Lady, like me, is a Thames valley MP, so let me just repeat what Chief Constable Sara Thornton of Thames Valley police said, which is that

"what I haven't done at all is reduce the number of officers who do the patrol functions, so the officers you see in vehicles, on foot, in uniform, on bicycles. We haven't cut those numbers at all."

We have not cut the number of officers or police community support officers in neighbourhood policing teams either. Thames Valley is a big force, and as the hon. Lady and I have sometimes argued against previous Governments, it is not always a very well funded force. If it can do it with these budget reductions, other forces can do it too.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will elected police commissioners have the power to authorise the use of water cannon, troop support and such measures, or will they have to let others further up the chain of command make those decisions?

The Prime Minister: Those decisions must always be an operational matter for the chief constable. Let us be clear—I do not think that the right hon. Member for South Shields (David Miliband) fully understood this—that we are talking not about electing chief constables, but about electing commissioners who will replace the police authorities and to whom the chief constable will be accountable.

Mrs Mary Glindon (North Tyneside) (Lab): As my constituents witnessed the terrible events across the country and members of our own Northumbria police force were deployed to the capital, can the Prime Minister tell them how, by pressing ahead with huge public sector cuts, he will sustain their confidence in the capacity of all the public services that are meant to protect them?

The Prime Minister: Perhaps the hon. Lady should stay for the next statement, in which we will hear about the difficult decisions we have had to take in this country in order to keep our credit rating and have low interest rates so that we can get our economy growing. We now have lower interest rates than almost any other country

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in Europe. Why? It is because we are taking these difficult decisions. If we do not take the difficult decisions, we will end up like other countries with rising interest rates, lack of confidence and, as in the United States, which has the biggest economy of all, a debt downgrade.

Karl McCartney (Lincoln) (Con): It is my understanding that public order training for police officers was reduced back in 2005. Does my right hon. Friend believe, as I do, that that might have exacerbated some of the instances that so annoyed the public who have watched the pictures on TV in the past few days, and would he like to see that trend reversed if it has not been already?

The Prime Minister: There will be lessons to learn about the extent of riot training and the balance between it and ordinary beat-based policing, and I know that we will want to learn all those lessons in the days to come.

Julie Hilling (Bolton West) (Lab): The Association of Chief Police Officers undertook research that showed that where there is a well-funded youth service there is a decrease in criminality and where there are cuts in youth services there is an increase in crime. Youth work is part of a solution to this disorder, but youth workers are being made redundant across the country as we speak. Will the Prime Minister introduce a moratorium on youth service cuts?

The Prime Minister: We are going ahead with the Myplace youth centre programme, which is seeing vast and very well-funded youth centres built in places such as Islington and Hackney and across some of the most deprived parts of London. I do not accept the hon. Lady's point about causation and that somehow a budget change in youth services leads inexorably to the sort of looting and rioting we saw on our streets.

Mark Pawsey (Rugby) (Con): May I congratulate the Prime Minister on his diligence and energy in remaining at the Dispatch Box for two and a half hours and welcome the measures he is bringing forward to compensate victims of the mindless violence we have seen? One group with concerns are people who own vehicles that have been torched by thugs and who have only third-party insurance. Will he provide some comfort to those innocent victims?

The Prime Minister: I thank my hon. Friend for what he says about these long sessions at the Dispatch Box; I am beginning to get used to them. Uninsured businesses are able to claim under the Riot (Damages) Act. That is what the Act is there for, and, as I have said, the Home Office will want to stand behind police forces that are adversely affected by it.

John Woodcock (Barrow and Furness) (Lab/Co-op): If the Prime Minister now wants to extend the previous Labour Government's legislation to restrict gang members' wearing of masks, will he explain why he opposed the measures at the time and allowed the right hon. and learned Member for Beaconsfield (Mr Grieve), now the Attorney-General, to describe them as

"practically unworkable and legally dubious gimmicks"?

The Prime Minister: Now that my right hon. and learned Friend the Attorney-General is sitting on this side of the House and working so hard, he will make them workable.

Michael Ellis (Northampton North) (Con): This week saw the busiest night for the London fire brigade since the blitz in terms of the number of fires in one night. Will the Prime Minister join me in commending the brave and dedicated public service that firefighters provide throughout this country, and in thanking police officers, including dozens from Northamptonshire police, who left their force areas to help other forces that were in need of assistance?

The Prime Minister: I certainly praise Northamptonshire police, but I praise again the firefighters in London and elsewhere who did such magnificent work. I was told one story of a woman firefighter who was on her way to work when a rioter pushed her off her moped and took it away, but instead of going home she just called a taxi, appeared for work and got on with fighting fires in London. It is that sort of spirit that we should praise in the House today.

Mike Weatherley (Hove) (Con): As chair of the all-party group on retail and business crime, I can tell the Prime Minister that retailers' biggest concern is lenient sentences. Will he assure them that sentencing terms will increase, and will he come along to the group's next meeting on 8 September to advise us of the progress on that since this debate?

The Prime Minister: I might want to send the Business Secretary, or someone from the Business Department, to that meeting, but my hon. Friend makes a very important point that businesses want not only to see the people who perpetrated the looting prosecuted and convicted, but to work even more closely with the police to protect their premises. I have heard that from many businesses, and from multiple chains, some of which had their stores attacked in many different places on the same day.

Stephen Hammond (Wimbledon) (Con): I commend the Prime Minister for his statement and his comments about social media. The criminal elements who visited the constituency of my hon. Friend the Member for Ealing Central and Acton (Angie Bray) were due to come to Wimbledon on Tuesday night, having been urged to do so via social networking sites. Only the boarding up of the town centre and the surge of which my right hon. Friend spoke stopped them. May I urge the group that he has set up to look at, and to ask Ofcom to look at, the possibility of introducing variants to licences and temporary prohibition on a public order basis?

The Prime Minister: We will certainly do that. What method we use is less important than the intent of looking at ways to ensure that, if social media are used for violent purposes, we are able to intervene.

Mr Marcus Jones (Nuneaton) (Con): I join right hon. and hon. Members from all parts of the House who have commended the brave work of West Midlands police officers. Will the Prime Minister join me in commending

the brave work of Warwickshire officers, who have also given mutual aid, and will he tell us whether the Government will compensate smaller forces, such as Warwickshire, for that work?

The Prime Minister: This is how the system works. ACPO has established the police national information co-ordination centre, or PNICC, through which forces work together to make sure that officers get to the places where they are needed, and we should allow those arrangements to work.

Graham Evans (Weaver Vale) (Con): Does the Prime Minister agree that those who are convicted, those who have tried to destroy our society, should not receive the benefits of our society?

The Prime Minister: I think my hon. Friend refers to the petition that is gathering signatures, and, as I have said, we should look at additional powers to ensure not only that we confiscate things from people who have committed crimes, but that the punishments that they receive, whether prison or not, are robust.

Bob Stewart (Beckenham) (Con): When Mark Duggan was shot last week, the IPCC immediately went in and sealed the crime scene, but then no statement was made, and that gave an excuse to the rioters. It would be good if the IPCC, or someone, made a definitive statement on what happened. Otherwise, conspiracy theories build up.

The Prime Minister: The difficulty with my hon. Friend's suggestion is that the IPCC has got to get across the detail before it makes a statement. There is a huge danger on such occasions of making statements that turn out not to be true and that inflame passions either at the time or afterwards when their veracity is questioned. This is an extremely difficult situation, but we must have confidence and faith in the IPCC system, which is independent of the police and can, therefore, give victims confidence.

Paul Uppal (Wolverhampton South West) (Con): I, too, thank the Prime Minister for coming to Wolverhampton yesterday, and I particularly welcome the initiative on planning. Yesterday evening I was with a community TV station on the Dudley road, and I heard with my own ears the brave, stoical and wise words of Tariq Jahan. I also spoke to about half a dozen young Muslim men, who said to me quite directly, "You will not stem this tide of irresponsibility unless the House speaks with one voice. It is important that the issue is not hijacked for political point-scoring." Does my right hon: Friend concur with that view?

The Prime Minister: I thank my hon. Friend for organising that cross-party meeting in Wolverhampton, and I pay tribute to him for the wise words that he spoke in his community yesterday, and for his efforts to bring people together in Wolverhampton. Let me praise Sangat TV, which helped the police to catch a criminal. That was an exercise in social responsibility by a media company. It should be praised, and so should he.

Mr Edward Timpson (Crewe and Nantwich) (Con): Many Crewe and Nantwich residents have told me of how appalled they have been by, the despicable scenes that have been played out on our streets, and by the potential cost to them as taxpayers. Will my right hon. Friend take this opportunity to thank Cheshire police for their role in related arrests, and to reassure my law-abiding constituents that they will not pay the price for the wanton criminality of others?

The Prime Minister: My hon. Friend makes a good point. Cheshire police gave help to Greater Manchester police and, I think, to other areas as well. I want to reassure his constituents and people throughout the country that this Government, this House, this Parliament are on the side of the law-abiding. What needs to happen is a process of taking back the streets on behalf of the law-abiding, and of demonstrating to the whole country that the guilty will be punished.

Christopher Pincher (Tamworth) (Con): Will my right hon. Friend pay tribute to the chief constable and officers of Staffordshire police, who not only kept Staffordshire safe but policed Birmingham and Manchester? Mike Cunningham is one other chief constable who believes that he has the resources now and will have in the future to do the job. Will the Prime Minister commend him?

The Prime Minister: I certainly join my hon. Friend in praising Staffordshire police, who provided assistance to the west midlands. Once again, this demonstrates that small forces can not only do a good job in their local communities, but help out others when they are in need.

Mr Don Foster (Bath) (LD): Looking to the future, I note that far too many of the people—young and old alike—who were involved in violent and criminal behaviour appear to come from the relatively small number of totally dysfunctional families in this country. Does the Prime Minister agree that work to turn such families around is somewhat piecemeal, involving far too many agencies, too many targets and too much paperwork? Will the Government find ways of targeting resources more effectively?

The Prime Minister: The right hon. Gentleman is absolutely right about that. We plan to spend additional money on the 20,000 most troubled families in the country, with more early intervention and much better co-ordination. So often with those families, we find that they have contact after contact with the authorities, but that it is contact with them rather than work to change behaviour and address problems. The problem is manageable. I know that there are 20,000 such families, and there might even be 100,000, but it is still a manageable number which we can deal with during this Parliament.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): Two hours and 40 minutes ago the Prime Minister in his statement referred to the British model of policing. My understanding is that that model is policing through and by the public's consent. Does he accept that he now has the public's consent in such situations for a police force to rebalance its concerns about individual freedoms with its own freedom to act?

The Prime Minister: I know that my hon. Friend has been waiting two hours and 50 minutes to say that, but he puts it absolutely beautifully. None of us in the House

[The Prime Minister]

wants to break with the British model, whereby the public are the police and the police are the public. They come from our communities, they are known to us and we know them, and it is a very special thing that we have, but that model has to be refreshed and updated with new tactics, resources and technology, as appropriate, so that it meets new threats. One message of the past few days is that police chiefs should feel that they have the political backing to make the necessary changes to meet new threats. "Don't be stuck in the old ways of doing things if they are not working"—that will be one of the real lessons that we learn in the coming days.

Mr Aidan Burley (Cannock Chase) (Con): Will the Prime Minister consider the suggestion that anyone who is convicted of rioting and who is not a UK citizen should be deported immediately and barred for life from returning to this country?

The Prime Minister: My hon. Friend makes a good point. There are now much better mechanisms to ensure that people who enter the criminal justice system and who do not have a right to be here are removed more quickly.

Mr Speaker: I thank the Prime Minister for his commitment to the House over the past 165 minutes, and I thank all 160 colleagues, including the Leader of the Opposition, who have questioned him.

Global Economy

2.20 pm

The Chancellor of the Exchequer (Mr George Osborne): People will be concerned about the turmoil in the world's financial markets and what it means for economies here and across the globe. I want to update the House on what we are doing to protect Britain from the storm and to help lead a more effective international response to the fundamental causes of this instability.

As of this morning, after heavy losses yesterday, markets in Asia and Europe are a little calmer, although some are still down. Over the past month, the Dow Jones index has fallen by more than 14%, the French market by 23% and the Nikkei by 11%, and it is striking that the German market has fallen by 24%. Even Chinese equities have fallen by 20% since November. Bank shares in all countries have been hit particularly hard. Many sovereign bond markets have also been exceptionally volatile, with market rates for Italian and Spanish debts soaring before falling back in the past three days.

Sadly, Britain is not immune to these market movements. In the past month, the FTSE 100 has fallen by 16% and British bank shares have been hit hard. However, while our stock market has fallen like others, there has been one striking difference from many of our European neighbours: the market for our Government bonds has benefited from the global flight to safety. UK gilt yields have come down to about 2.5%—the lowest interest rates in more than 100 years. Earlier this week, the UK's credit default swap spread, or the price of insuring against a sovereign default, was lower than Germany's. That is a huge vote of confidence in the credibility of British Government debt and a major source of stability for the British economy at a time of exceptional instability. It is a reminder of the reckless folly of those who said that we were going too far, too fast. We can all now see that their approach would have been too little, too late, with disastrous consequences for Britain.

It is not hard to identify the recent events that have triggered the latest market falls. There have been weak economic data from the US, including revisions to GDP figures, and the historic downgrade of that country's credit rating. The crisis of confidence in the ability of eurozone countries to pay their debts has spread, as many feared, from the periphery to major economies such as Italy and Spain. Those events did not come out of the blue and they all have the same root cause—debt. In particular, there is a massive overhang of debt from a decade-long boom, when economic growth was based on unsustainable household borrowing, unrealistic house prices, dangerously high banking leverage and a failure of Governments to put their public finances in order. Unfortunately, the UK was perhaps the most eager participant in that boom, with the most indebted households, the biggest housing bubble, the most over-leveraged banks and the largest budget deficit of them all.

History teaches us that recoveries from such debt-driven, balance-sheet recessions will always be choppy and difficult, and we warned that that would be the case. The whole world now realises that the huge overhang of debt means that the recovery will take longer and be harder than had been hoped. Markets are waking up to that fact. That is what makes this the most dangerous time for the global economy since 2008. We should be

realistic about that and set our expectations accordingly. As the Governor of the Bank of England said yesterday and as the head of the Office for Budget Responsibility has noted, the British economy is expected to continue to grow this year. Some 500,000 new private sector jobs have been created in the past 12 months. That is the second highest rate of net job creation in the G7. However, instability across the world and in our main export markets means that, in common with many countries, the expectations for this year's growth have fallen.

This is what our response must be. First, we must continue to put our own house in order. I spoke again to Mervyn King yesterday and I confirm that the assessment of the Bank, the Financial Services Authority and the Treasury is that British banks are sufficiently well capitalised and are holding enough liquidity to cope with the current market turbulence. We have in place well developed and well rehearsed contingency plans. We must also continue to implement the fiscal consolidation plans that have brought stability to our bond markets.

I believe that the events around the world completely vindicate the decision of this coalition Government from the day we took office to get ahead of the curve and deal with this country's record deficit. While other countries wrestled with paralysed political systems, our coalition Government united behind the swift and decisive action of in-year cuts and the emergency Budget. While other countries struggled to command confidence in their fiscal forecasts, we created the internationally admired and respected independent Office for Budget Responsibility. Those bold steps have made Britain a safe haven in this sovereign debt storm. Our market interest rates have fallen while those of other countries have soared. The very same rating agency that downgraded the United States has taken Britain off the negative watch that we inherited and reaffirmed our triple A status. That market credibility is not some abstract concept; it saves jobs and keeps families in their homes. Families are benefiting from the lowest ever mortgage rates and companies are able to borrow and refinance at historically low rates thanks to the decisions that we have taken.

Let me make it clear not only to the House of Commons but to the whole world that ours is an absolutely unwavering commitment to fiscal responsibility and deficit reduction. Abandoning that commitment would plunge Britain into the financial whirlpool of a sovereign debt crisis and cost many thousands of jobs. We will not make that mistake.

Secondly, we need to continue to lead the international response in Europe and beyond. In the G7 statement agreed between Finance Ministers and central bank governors this week, we said that we would

"take all necessary measures to support financial stability and growth".

In the eurozone, there is a growing acceptance of what the UK Government have been saying, first in private and now in public, for the last year—it too needs to get ahead of the curve. Individual countries must deal with their deficits, make their economies more competitive and strengthen their banking systems. Existing eurozone institutions need to do whatever is necessary to maintain stability. We welcome the interventions of the European Central Bank this week through its securities markets programme to do just that.

However, that can only ever be a bridge to a permanent solution. I have said many times before that the eurozone countries need to accept the remorseless logic of monetary union that leads from a single currency to greater fiscal integration. Many people made exactly that argument more than a decade ago as a reason for Britain staying out of the single currency, and thank God we did. Solutions such as eurobonds and other forms of guarantees now require serious consideration. That must be matched by much more effective economic governance in the eurozone to ensure fiscal responsibility is hard-wired into the system.

The break-up of the euro would be economically disastrous, including for Britain, so we should accept the need for greater fiscal integration in the eurozone, while ensuring we are not part of it and that our national interests are protected. That is the message the Prime Minister has communicated clearly in his calls with Chancellor Merkel, President Sarkozy and others this week. I have done likewise with individual Finance Ministers, in ECOFIN and in the G7 call at the weekend, and will do so again at the September ECOFIN and G7 meetings.

This is a global as well as a European crisis. At this autumn's meetings of the IMF and the G20 we need far greater progress on global imbalances. We need an international framework that allows creditor countries such as China to increase demand and debtor countries to make the difficult adjustments necessary to repay them. Everyone knows what needs to be done, but progress so far has been frustratingly slow, with lengthy disagreements on technical definitions, let alone any concrete actions. The barriers are political not economic, so it is up to the world's politicians to overcome them. There are no excuses left.

The UK, like the rest of the developed world, needs a new model of growth. Surely we have learned now that growth cannot come from yet more debt and more Government spending. Those who spent the whole of the past year telling us to follow the American example, with yet more fiscal stimulus, need to answer this simple question: why has the US economy grown more slowly than the UK economy so far this year? More spending now, paid for by more Government borrowing and higher debt, would lead directly to rising interest rates and falling international confidence, which would kill off the recovery, not support it.

Instead we must work hard to have a private sector that competes, invests and exports. In today's world, that is the only route to high-quality jobs and lasting prosperity. In the developed countries, especially in Europe, that means making the difficult structural reforms needed to restore competitiveness and improve the underlying performance of our economies. The EU should cut red tape, not add to it. Internationally, we have the greatest stimulus of all on the table in the form of the Doha round—a renewed commitment to free trade across the world, which should be taken up now.

Here in Britain, the Plan for Growth that we announced in the Budget set out an ambitious path—23 measures have already been implemented and another 80 are being implemented now. On controversial issues, such as planning reform, we will overcome the opposition that stands in the way of prosperity. On tax, we have already cut our corporation tax by 2p, with three more cuts to come in the next three years. We will continue to pursue a radical agenda in welfare and education reform.

[Mr George Osborne]

However, there is much more we can and must do if we are to create a new model of sustainable growth. All of us in the House must rise to that challenge in the months ahead and confront the vested interests—the forces of stagnation that stand in the way of growth.

In these turbulent times for world markets, we will continue to lead the international response. We will redouble our efforts to remove the obstacles to growth and stick to our plan, which has made Britain a safe haven in the global debt storm. I commend the statement to the House.

Ed Balls (Morley and Outwood) (Lab/Co-op): The shocking and inexcusable events of recent days in our cities are today rightly the Government's first and immediate priority. However, looking ahead, the global economic events of recent days are an equal and perhaps even graver threat to our stability and cohesion, putting small businesses, jobs and mortgages at risk throughout our country. It is therefore right that the Chancellor is today updating the House and the country on the parlous state of the global economy and, I am afraid to say, the parlous state of the British economy.

In the same spirit of bipartisan co-operation that we have just seen from the Prime Minister and the Leader of the Opposition, let me set out where Opposition Members agree with the Chancellor of the Exchequer as well as where we have grave concerns. First, the Chancellor is right: we made the right decision not to join the single currency in 2003. We agree with him that the crisis in the eurozone requires more decisive and radical action than we have seen so far. I welcome the fact that he is now, at last, involving himself in those discussions, and preparing contingency plans if British banks come under threat.

Tough fiscal decisions in Europe are vital, but is it not clear that the approach of European leaders so far—demanding ever more austerity from smaller countries—is not working because it does nothing to get those economies growing? Without that, countries find it harder and harder to convince the markets that they can repay their debts. Should not the Chancellor finally take a lead in brokering a plan in Europe for growth, alongside European-wide guarantees to reduce debt service costs, and stop the contagion?

I also agree with the Chancellor that months of political wrangling and uncertainty in the US about the pace of deficit reduction have depressed confidence and US growth. However, does the Chancellor agree with those wise heads who favour a balanced and sensible approach to deficit reduction, and fear that rapid US retrenchment could drive the world back into recession? Or does he agree with his friends—we know he has many in the Republican party and in the Tea party movement—who have urged deeper and faster cuts, and hailed the recent budget deal as delivering 98% of their demands? Is the Chancellor on the side of the Federal Reserve, former Treasury Secretaries and Nobel prize winners, or on that of, in the words of the Business Secretary, "right wing nutters"?

It is also right that G7 finance Ministers are finally discussing a co-ordinated response to a global crisis. However, listening to the Chancellor's analysis, one would think that Britain was a bystander, watching public debt crises unfold in the eurozone and America that are best solved by individual countries taking their own actions to get debt down—on his analysis, the faster, the better. But the growth crisis is now global.

Does the Chancellor agree that the coming together of powerful negative forces in every continent, including in Britain—continued deleveraging by banks and the private sector, drastic tightening of consumer spending and fiscal retrenchment from Governments—now means that some commentators warn that the crisis could become as grave as that of the early 1930s, when Governments around the world ignored their collective responsibility to promote growth, ploughed on with austerity and retrenchment and ushered in a decade of depression, unemployment, protectionism and political instability? Here in Britain, families and businesses, deeply worried about their jobs and mortgages, will hear the Chancellor's talk of safe havens and conclude that he is either deeply complacent or in complete denial about what is happening in our country.

Since the Chancellor's economic policies have started to kick in, well before the latest bout of financial market instability, confidence has collapsed and our economy has flatlined for nine months, growing slower than that of the US and the eurozone. On the latest OBR figures, before growth forecasts—which the Chancellor today confirmed—were to be downgraded yet again, the borrowing forecast was £46 billion higher than the Chancellor planned.

We need a tough, medium-term plan to get our deficit down, but it is the Chancellor's reckless—*[Interruption.]*

Mr Speaker: Order. The House must come to order. I repeat what I have said many times: if Members shout their heads off, then expect to be called, they are suffering from an element of self-delusion.

Ed Balls: The Chancellor's reckless policies—too far, too fast—have ripped out the house's foundation and left our economy deeply exposed to the brewing global hurricane. Yet, despite all the evidence and with our stock market falling 10% or more this week, the Chancellor still claims that his policies are working and that we are a safe haven. Despite the evidence of the past two years from credit default swaps and the fact that, in the past week, long-term interest rates have fallen in Britain and in the US, he still claims that falling UK long-term bond yields are a sign of enhanced credibility and not of stagnant growth in our economy. Does he not remember that the Japanese Ministry of Finance briefly took some comfort from low and falling bond yields in the early 1990s, at the beginning of a lost decade of no growth and stagnation? However many times he says that his plan is working, that does not make it true. However, many times he claims that he has restored confidence or delivered on deficit reduction, that does not make it true.

We know that the Chancellor has spent the past fortnight in Hollywood, but he cannot just write the script and watch it come to life. That is not how things work in the real world. If he will not take it from me, perhaps he should hear the words of Paul Krugman, the Nobel prize winner, who said:

> "Britain's experiment in austerity is going really, really badly. But the Chancellor of the Exchequer is finding solace in... fantasy... the wolf is at the door and Osborne thinks it's the confidence fairy."

The Chancellor finds the state of the British economy reassuring; we find it deeply worrying. He rejects our call for action now, including a temporary VAT cut, and vows to plough on regardless. We say that this approach is deeply incautious and reckless. The eurozone is in crisis. America is in political paralysis. The British economy is flatlining. Global markets are in turmoil. The world desperately needs strong and united leadership. Here in Britain, we need our Chancellor to get out of his complacent denial and get back to reality before it is too late.

Mr Osborne: I did meet Mickey Mouse in California, and he seems to be writing the Labour party's economic policy at the moment.

Let me start with the areas where we agree. We agree that it is right for Britain not to join the euro—perhaps the shadow Chancellor will change the official policy of the Labour party in that respect. I would be very happy to offer him a briefing from the tripartite authorities on the contingency plans of the financial system. Obviously, they have to remain confidential, as he will understand, but I am very happy to give him that briefing.

On what the shadow Chancellor says about European countries being forced to reduce their deficits, I would ask him this question. Who is supposed to be lending those European countries the money that he talks about, in this imaginary world where they are not taking action to reduce their deficits? He voted against the decisions that we took to increase the resources of the IMF, and now he turns round and thinks that there is some magical body or some investors out there who are going to lend money to European countries that do not have credible deficit plans. It is completely for the fairies, as he puts it.

Let me talk about the US debate, which the right hon. Gentleman mentioned. He talked about deficit reduction in America and asked where I stand on the measured pace argument. Actually, I agree with the plan that President Obama set out at George Washington university. *[Interruption.]* Perhaps the Leader of the Opposition does not know what is going on in America at the moment, but actually, the President of the United States has set out a deficit reduction plan that is at the same pace and on the same scale as the one that we are pursuing in Britain. That is what the President has set out; it is his offer in the debate. Indeed, the composition of tax increases and spending reductions that he has put forward is the same as the spending consolidation that we announced last year, and is based on some of the ideas put forward by the bipartisan Bowles-Simpson commission, which we spoke to after the event. It said that it looked to the UK for inspiration for some of its ideas.

The shadow Chancellor says that there is a global economic crisis. He is right about that, and we agree, but it is caused by an enormous debt overhang. That is what all serious economists are saying at the moment. He is also right when he says that the Labour party needs a tough deficit reduction plan. I agree with him about that. Where is this tough deficit reduction plan? We have just spent two and a half hours listening to Labour MP after Labour MP getting up and complaining about spending cuts and the deficit reduction plan—they are all nodding their heads—but where is the tough deficit reduction plan that he promised? The shadow Chancellor is now almost alone in the world in making the argument that he makes. He talks about international leadership, but if he turned up at the G7, the IMF, the G20 or ECOFIN with his plans to borrow more and increase our deficit, he would be laughed out of that meeting. He is completely irrelevant to where the international debate has gone. I am afraid that he is living proof of why the public will never again trust the Labour party with their money.

Mr Andrew Tyrie (Chichester) (Con): Does the Chancellor agree that the collapse in the credibility of the eurozone is a warning to any Government who flinch on dealing with the deficit? Is that not why he is quite right to stick to the commitments that he made a year ago to put the country on a course to greater stability? Does he not also agree, however, that the credibility of economic policy in the long run will depend on a fully developed strategy for improving the supply side of the economy? He talked a bit about that at the end of his statement. Will he say a bit more, and say whether he intends to publish a fully worked up improvement to the strategy for growth that he put forward at the time of the last Budget?

Mr Osborne: I completely agree with what the Chair of the Treasury Committee says about the credibility of the deficit reduction plan and how disastrous it would be in the current environment to weaken that plan. We would—within hours, I think—find ourselves sucked into the global debt whirlpool from which other countries are struggling to get out. I also agree with him that we need to do more to improve the supply side of our economy. That is hard work for Governments, and it means taking on difficult vested interests. We have seen the argument in the last few days about planning controls, where we are trying to make it easier to have economic development, and there are plenty of groups that pop up and oppose that. That is an example of some of the battles that we will have to have and win. I can confirm that we will be producing the second phase of our plan for growth at the time of the autumn forecast.

David Miliband (South Shields) (Lab): I would be grateful if the Chancellor confirmed private sector estimates that I have seen that a 0.4% downgrade of the growth forecasts for the next four years means that it will be impossible for him to hit his fiscal target of turning the debt-to-GDP ratio down by the end of this Parliament.

Mr Osborne: The most recent independent analysis of the British economy was done by the IMF this month. It made an assessment using lower growth forecasts, and came to the conclusion that we will hit both our fiscal mandate and our target for reducing debt, which the IMF made clear in its article IV assessment. I cannot help but note that if the right hon. Gentleman had given the leader's speech that he had written, the Labour party would be in a much more credible place than it is today.

Malcolm Bruce (Gordon) (LD): As the wolves circle country after country, are this coalition Government not vindicated? They were absolutely right to come together with a robust strategy to bring our public finances into balance over the lifetime of this Parliament,

[Malcolm Bruce]

while the Labour party lacks credibility. If there is one area where we can ensure that that is done in a fair and equal way that puts the lower and middle-income groups in the driving seat of recovery, it is the accelerated process of increasing the tax threshold, and reducing taxes on those people is the best way to do that.

Mr Osborne: The right hon. Gentleman is absolutely right that we are taking more than 1 million low-paid people out of tax altogether, implementing the policy that the Liberal Democrats put forward at the general election. I also agree that what he describes is a vindication not just of the economic decisions we took, but of the political decisions we took. Let us reflect on the fact that a year ago we had a hung Parliament—the first time since the 1970s—and we formed a coalition Government. That was a difficult decision for both political parties involved, but given the political weakness in some other countries, which is driving a lot of the market concern about those countries, the political strength of the Government in Britain is a tribute to both those political parties, which set aside their political differences and came together in the national interest.

Mr Geoffrey Robinson (Coventry North West) (Lab): Will the Chancellor—who persists in this bewildering implausibility that his plan is working—please tell the House by how much this financial year he will fall short of his target for deficit reduction?

Mr Osborne: The important difference between the hon. Gentleman's time in the Treasury and my time in the Treasury now is that we have the independent Office for Budget Responsibility making those announcements. It is not the Chancellor who makes those announcements from the Dispatch Box, for the very simple reason that by the end of the last Government, those Treasury pronouncements were so discredited that they were believed by absolutely no one. One of the important early decisions that we took to restore credibility in British public finances was the creation of the independent OBR, which makes those announcements.

Tracey Crouch (Chatham and Aylesford) (Con): Will the Chancellor tell the House whether the UK economy is growing faster than the US economy this year, and if so, why?

Mr Osborne: In the first two quarters of this year the UK has grown more strongly than the United States, but that is not a source of comfort for the world, because we need a strong US economy as well, and we want to help to bring about the international framework that will enable that to happen.

Mr Gordon Marsden (Blackpool South) (Lab): Is it not revealing that it took to the end of page 5 of his speech for the Chancellor even stutteringly to mention the word "growth"? Will he now reflect on the fact that it is his reckless abolition of regional development agencies and his failure to put money into the local enterprise partnerships that were supposed to solve the problem that have left the English regions stagnant in growth over the past nine months?

Mr Osborne: Both the hon. Gentleman and I represent constituencies in the north-west of England, and the striking fact about the RDAs is that during their period of existence regional disparities grew. They did not work in the way that they were supposed to work. Because local enterprise partnerships involve businesses and are on much more practical boundaries, they will help to deliver that local growth. However, if he thinks that all the world's problems are caused by the fact that we got rid of the RDAs, he is exaggerating his case.

Mr William Cash (Stone) (Con): The Chancellor will know that our trade balance between 2002 and 2009-10 with the other 26 member states has gone up from minus £14 billion to minus £53 billion in one year? Does he not agree that even Edward Heath would have repudiated and vetoed a fiscal union with a hard-core Europe with such an incredible trade deficit against us? The coalition agreement, according to the latest answer I got from the Prime Minister, determines our relationship with the European Union. Does the Chancellor disagree with the Deputy Prime Minister, because we must have radical renegotiation of the treaties and the repatriation of powers so that we can achieve growth for all our businesses?

Mr Speaker: I enjoy listening to the hon. Gentleman's words so much that it is in my interest, Parliament's interest and the national interest that they should be suitably rationed.

Mr Osborne: My hon. Friend and I will have to agree to disagree on this issue. The remorseless logic of monetary union leads towards fiscal union, and that was one of the reasons that I opposed joining the single currency. However, it is now in our interests to allow that to happen more in the eurozone, because it is in our absolute national economic interest that the eurozone is more stable. It is clear that that means that they need to have more fiscal powers to reduce instability. That means, of course, that Britain must fight hard to ensure that its interests are represented and that we are not part of this fiscal integration. Important decisions, such as on financial services, must continue to be taken at the level of 27. He talks about treaty changes and so on, but the prospect of a major treaty change to bring about eurozone fiscal integration is not imminent, although I imagine that there will be a lively debate if and when it comes about.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The number of people claiming jobseeker's allowance in my constituency has gone up massively, with hard-working people with good work records unable to find jobs. Why will not the Chancellor look seriously at areas such as mine, do more and take some measures—such as reducing VAT—to put money into the hands of ordinary people?

Mr Osborne: We have announced an enterprise zone for Sheffield and we will have further announcements to make on enterprise zones in the coming weeks. The evidence of the past 10 years is that in important regions of our country—I have in mind the statistics for the west midlands, rather than for the hon. Lady's constituency—private sector employment fell over the decade before the financial crash. That shows that that model of growth we pursued, based on the biggest housing boom of any country—with the possible exception of Ireland—the most over-leveraged banks and the

highest budget deficit, ultimately led to ruin. We need a different model of growth in which we grow the private sector in areas such as Sheffield and get real, lasting jobs, rather than assuming that we can just use Government spending to create them.

Mr John Redwood (Wokingham) (Con): As someone who believes that we need to get the deficit down and do more to assist growth to help that, will the Chancellor look at the dreadful losses at RBS and the big hit on capital values on its shares, and see what more can be done to manage that colossal pool of assets in the interests of economic growth and the taxpayer?

Mr Osborne: We of course continue to monitor the situation at RBS and all the British banks very closely. There is a concern in the financial markets about the capitalisation and liquidity provisions of banks in many countries. I have to say that those concerns have not been expressed at the moment about the UK. We passed the stress tests well and we have a strong liquidity provision in place for the banks, including RBS, and the markets can therefore have confidence in British banks.

Mr Michael Meacher (Oldham West and Royton) (Lab): Is it not clear that the Chancellor's whole strategy is failing, as it is now almost entirely dependent on achieving growth? As the economy has been flatlining for nine months, export markets are stymied, quantitative easing has already been tried with little or no effect and interest rates are already flat on the ground. Where exactly does he expect the growth to come from to get us out of prolonged stagnation?

Mr Osborne: As I have said, the British economy is growing and it is the assessment of the Bank of England and the Office for Budget Responsibility that it will continue to grow. The growth in the last six months has actually been stronger than in the United States, and half a million jobs have been created in the private sector in the last year—

Ed Balls: In the last nine months?

Mr Osborne: In the past 12 months. So that is all good news. Where does the right hon. Member for Oldham West and Royton (Mr Meacher) expect the money to come from for additional Government borrowing? Who in the world would lend to a country that abandoned its deficit reduction plan at a time like this, especially a country such as Britain which, unfortunately, has the highest budget deficit in the G20?

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): Given that we are all still hearing that the banks are not making sufficient funds available to small and medium private enterprises in our constituencies and that that is the fulcrum on which the Government's strategy has been based to make up the deficit from the loss of jobs in the public sector as a result of the strategy being pursued, and that we now have a downward estimate for growth, what did the Business Secretary mean when he said that we would have to find more imaginative ways of getting the money through? What did he mean by that and does the Chancellor agree?

Mr Osborne: The challenge that we and many developed countries face is that banks are shrinking their balance sheets, because they got too big and they lent too much money. They are also hoarding capital because of the current market turbulence. What we are trying to do as a Government is to ensure that, in that process, lending to small and medium businesses is protected and indeed increased. We signed the Merlin agreement with the banks at the beginning of the year to see an increase of 15% in small business lending. The Bank of England will publish the figures tomorrow, so I cannot give them today, but the banks have already indicated that they are on track to meet that 15% increase in small business lending over this year and I am confident that the figures tomorrow will show that that is the case.

Stewart Hosie (Dundee East) (SNP): The June 2010 Budget described the deficit reduction plan as adding £8 billion of tax rises a year from 2014-15 and £32 billion of cuts from 2014-15 every year on top of the £73 billion or so fiscal consolidation that Labour had in mind. It also forecast growth from this year of 2.3%, 2.8%, 2.9%, 2.7% and 2.7%. Those growth figures are now shredded. What will the Chancellor do? Will he increase taxes or cut public spending further, or did he mean by saying that we had to adjust our expectations accordingly that he would change his deficit reduction target?

Mr Osborne: We are not proposing for a second to change our deficit reduction target. The target is a structural budget deficit target and was deliberately set as such. The reason we set out those plans in the emergency Budget and went beyond the previous Government's mantra of halving the budget deficit in four years—not that they had actually written in the proposals to do that—was because on the day we came into office our country's credit rating was on a negative outlook for a downgrade. Our market interest rates were tracking Spain's and everyone from the Governor of the Bank of England to the IMF and the CBI was saying that the previous Government's budget deficit plan was not credible. If we had stuck with that plan and even filled in the blank spaces, we would now be part of the sovereign debt crisis whirlwind that is engulfing other countries.

Michael Fallon (Sevenoaks) (Con): Before there is any further attempt to rewrite history, can the Chancellor confirm again that until last year's emergency Budget and spending plan this country's triple A rating was on negative outlook and was restored to stable only through the measures he took last year? Is not the real lesson of the United States that any country that goes off its fiscal deficit reduction plan can suffer a downgrade, with all the damage to jobs and prosperity that that entails?

Mr Osborne: My hon. Friend is absolutely right. In January last year the largest bond investor in the world said that UK gilts

"are resting on a bed of nitroglycerine."

Today I could read out a whole string of comments from market participants saying that the UK has been a safe haven in this sovereign debt crisis because of the decisions that we took.

[Mr George Osborne]

Standard & Poor's, the rating agency that has just downgraded the United States, took the United Kingdom off "negative outlook" and reaffirmed our triple A credit rating. The practical consequence of that is much lower interest rates. If we pursued the policy proposed by the Opposition of more spending and more debt, the immediate response would be higher interest rates which would kill off any recovery. That is why such a policy is economic madness.

Alison McGovern (Wirral South) (Lab): Given poor and worsening United Kingdom growth, at what point will the Chancellor advocate further quantitative easing? If he will not answer that question, will he tell us whether he believes that there is no chance that rapidly rising sterling will hurt our exports?

Mr Osborne: Both those matters are properly for the Bank of England. It is for the Governor to comment on the value of sterling, if he chooses to do so. As for quantitative easing, the arrangements agreed by the last Government, which I have retained, remain in place. If the Monetary Policy Committee makes a serious request, of course we will consider it seriously, but we have received no such request.

Sarah Newton (Truro and Falmouth) (Con): Moneyfacts reported yesterday that the low cost of borrowing in the United Kingdom means that, on average, five-year fixed-term mortgages are now £1,400 cheaper than they were two years ago. That is very welcome news for my hard-working but squeezed constituents. Will the Chancellor confirm that he will continue his policies, which will deliver the low interest rates that are so important to families and businesses across the country?

Mr Osborne: Absolutely. I think that interest rates are often the missing part of the debate in the Chamber. It is simply economically impossible at the moment for the Opposition to have more spending, more debt, and low interest rates. Those things do not square in the current global economic environment. The automatic, immediate response from the market, and quite possibly from the Monetary Policy Committee, would be an increase in interest rates if the Opposition abandoned our fiscal plans. We would have higher interest rates that would kill off any recovery.

Several hon. Members *rose—*

Mr Speaker: Order. I appeal to colleagues to ask single, short supplementary questions without preamble, so that we can maximise the number of contributors.

Kelvin Hopkins (Luton North) (Lab): The frightening instability of the world economy has arisen since, and as a result of, the abandoning of the post-war arrangements decided at Bretton Woods, and the liberalisation and globalisation of finance capital. Part of that arrangement was that each country had its own currency and managed its own economy within international rules. Would it not be sensible to move back in that direction by establishing national currencies within the eurozone, and starting again where we left off?

Mr Osborne: We abandoned the Bretton Woods arrangements in the early 1970s, so it has been a while since we have operated under those international arrangements. Let me, however, make a few observations, because the hon. Gentleman has made a serious point about the eurozone.

I think that it would be disastrous for Britain's economy if the eurozone were to break up, and I think that it would also be disastrous for the economies of the eurozone themselves. It would lead immediately to a balance of payments crisis in many European countries. That is why it is in our interests for the eurozone to work. Some of us questioned whether it was right to go ahead with it 15 years ago—we certainly did not want Britain to be part of it—but it exists now, and, as I have said before, "I told you so" is not an economic policy for today.

I agree with the hon. Gentleman that we need better international arrangements to monitor and deal with global imbalances. For instance, there are currently huge creditor countries such as China, and big debtor countries such as the United Kingdom and the United States. I am afraid that progress on that at the G20 and the International Monetary Fund is painfully slow. At some of the meetings, it has not even been possible to agree on the definitions. I hope that, if there is a silver lining to the present black cloud of the financial market crisis, we will see at the autumn meetings of the various institutions much more progress towards the arrangements that I think everyone accepts should be in place.

Alun Cairns (Vale of Glamorgan) (Con): I congratulate the Chancellor on the deficit reduction programme that has secured the United Kingdom's triple A rating, but can he tell us what analysis he has made of the rising price of gold, and how much better off the UK economy would be if the last Government had not sold off our gold in the same way?

Mr Osborne: I expected that that question might arise, as it often does at Treasury events. As people will have seen, the price of gold has hit a record high of $1,800. It was $300 when the shadow Chancellor sold our gold stocks. As a result of that action, this country has lost £12 billion.

Sir Stuart Bell (Middlesbrough) (Lab): The House will have noted that the Chancellor did not mention the fact that inflation is approaching 5%, the fact that that our borrowing is £46 billion higher than his figure, or the fact that consumer and business confidence is falling. He did mention his growth plan, but there is no growth. When will he accept the paradox that the sharper and deeper the cuts, the less growth there will be?

Mr Osborne: The question that I would ask the hon. Gentleman is this: who in the world does he expect to be lending money to countries with very high budget deficits if they do not have credible deficit reduction plans? What group of people would put their money on the line? That is precisely the problem that we have at the moment in the global financial markets.

The hon. Gentleman asked about inflation. Yesterday, at his press conference, the Governor of the Bank of England said that he expected it to hit 5% this year. Let me draw attention to another silver lining to the dark

clouds. Commodity prices have fallen in the last few weeks, and the oil price has fallen somewhat from its high. One of the biggest challenges that all developed and, indeed, developing countries have faced in the last year or so has been the very big increase in the oil price.

Mr Brian Binley (Northampton South) (Con): I welcome the Chancellor's comments about the need to cut deficits. Let me also remind him that a healthier market is important to our export performance, and that growth requires buyers and sellers to have the confidence to transact. Will he therefore, while steering the economy, remember that the need to instil demand in the British economy is very important to households and businesses? May I ask him not to lose sight of that?

Mr Osborne: Of course I agree that we need demand. I think that demand comes partly from confidence, and that confidence comes from economic stability. If we think of the difference between the statement that I have been able to make today in the House of Commons and the emergency statements and emergency budget cuts that many Finance Ministers have had to announce in the last two weeks, we have, in a nutshell, the reason why we made the right decisions last year to get ahead of the curve, and why so many other countries are now trying to catch up.

Valerie Vaz (Walsall South) (Lab): Can the Chancellor explain how relaxing planning controls will stimulate the economy when offices, houses and shops are already standing empty in my constituency?

Mr Osborne: Of course we need to fill vacant properties, but we also need to allow new development. I think that we all want to protect areas of outstanding natural beauty in our country, and I have a constituency in the green belt, but planning decisions in this country are so lengthy, so bureaucratic and so costly that almost every study of the British economy that has been commissioned in the last decade has identified planning as an obstacle to further economic development. I think that we need to simplify those planning controls so that we can—yes—protect the countryside, but also secure decisions in reasonable time that allow development to take place. That is why we have introduced the presumption of sustainable development into the planning system.

Geoffrey Clifton-Brown (The Cotswolds) (Con): What further help can the Chancellor give small businesses, 4.5 million of which employ fewer than five people? If a quarter of them employed an extra person, that would make a huge dent in the unemployment register.

Mr Osborne: Small businesses are, of course, the engine of job creation in our country. As I have said, 500,000 new jobs have been created in the private sector over the last year. That is the second highest rate of job creation in the G7. As for specific help for small businesses, we avoided the increase in small business taxation that the Labour party included in its last Budget.

Gavin Shuker (Luton South) (Lab/Co-op) *indicated dissent.*

Mr Osborne: The hon. Gentleman shakes his head. He obviously did not know that there was to be an increase in small business taxation. We have cut it.

We have also introduced support for the exports of small business. A central part of the strategy developed by Stephen Green as trade Minister is helping small businesses to export. I have already mentioned the Merlin lending agreements with banks, which are beginning to bring about an increase in lending to businesses that simply was not happening last year.

Chris Williamson (Derby North) (Lab): In view of the flatlining economy, and given that inflation is set to hit 5%, the spectre of stagflation looms large. Can the Chancellor tell us why he is so wedded to crackpot Tea party economics when it is plainly failing the country?

Mr Osborne: It sounds like the shadow Chancellor wrote that question. Let me repeat what I said earlier: the proposal Barack Obama put forward in his speech at the George Washington university is for a deficit reduction in the United States of the same pace and scale as the one we are pursuing in Britain. That is because in America, too, they understand that they have to deal with their budget deficit.

Mrs Anne Main (St Albans) (Con): Europe is making increasing demands on our pension pots and our benefit pots and, indeed, it recently made a demand on our VAT. Is it not time that we had a debate on how much we pay towards Europe? The Chancellor says it would be economically disastrous if it broke up, but there should be a debate. Some 75,000 people have signed a *Daily Express* petition asking for a debate on this, so surely there should be an autumn debate?

Mr Osborne: We do debate the European budget in this Parliament, and they are often quite lively debates. We are fighting hard for a real-terms freeze in the European budget not just for next year but for the coming new financial perspective from 2014, and we have enlisted a number of allies. There is now an understanding across Europe that, with very tough public expenditure decisions at home in every European country, we also need to get control of the European budget.

Stephen Timms (East Ham) (Lab): The momentum for growth in the UK economy has clearly now run out, and I am glad that the Chancellor will make announcements on growth in the autumn. As he plans for them, will he take account of the International Monetary Fund's view that if there is the prospect of a lengthy period of weak growth ahead, he should be willing to consider temporary tax cuts?

Mr Osborne: Of course we bear in mind advice from the IMF and others, but it makes it clear that that is not its central view at the moment. It asked itself a specific question, and it says this:

> "The weakness in growth and rise in inflation raises the question whether it is time to adjust macroeconomic policies. The answer is no…Strong fiscal consolidation is underway and remains essential".

That is what the IMF says in its article IV report into the United Kingdom published on 1 August this year.

Jeremy Lefroy (Stafford) (Con): Recently, the UK has been the highest per capita exporter of services in the world, and that is vital for future growth. What action are the Government taking to ensure that we can continue to compete globally in services on a level playing field, and particularly in the European Union?

Mr Osborne: First, while not all the recent economic data have been encouraging, the services index for the United Kingdom in the last couple of weeks was the strongest in Europe, which gives us some cause for optimism in that sector. I agree that we want to maintain our competitiveness, and that we want to export more to Europe. I think Europe's agenda should be much more about completing the single market and implementing measures such as the services directive, which has merely sat on the "Too Difficult to Handle" shelf for far too long. That is the agenda that we need to get the European Union focused on.

Nia Griffith (Llanelli) (Lab): Last week I visited the Dividers Modernfold factory in my constituency. In common with many other construction products companies throughout the country, it is very worried about the prospects for immediate economic growth, particularly in the light of public procurement cuts. What precisely is the Chancellor going to do in the very near future to stimulate demand and growth, so we can create and safeguard jobs in the private sector? We do not want to be fobbed off with the sorts of answers he has just given to my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) and the Chancellor's party colleague, the hon. Member for Northampton South (Mr Binley).

Mr Osborne: In the spending review, we set higher capital budgets than those set out by my predecessor, the Chancellor of the Exchequer in the last Labour Government. Therefore, capital spending budgets are higher than they would have been under the plan the hon. Lady stood on in the last election.

On getting the construction sector moving, that is precisely why we are tackling issues, such as the planning delays, that have been so difficult, and why we made a number of tax changes in the Budget to help the construction sector. The construction index was also positive in the last couple of weeks. I just say to the hon. Lady that when we are running the highest budget deficit in the G20, it is not possible to abandon our fiscal consolidation plans and to seek someone out there in the world to borrow more money from. That would lead to markedly higher interest rates—we need only look at the interest rates in Spain and Italy at present—and we know that higher interest rates do particular damage to the construction sector.

Mr Tobias Ellwood (Bournemouth East) (Con): I congratulate the Chancellor on sticking to his deficit reduction plan, which has allowed us to keep our triple A rating, unlike some other countries, including the United States and possibly now France. If France were to lose its triple A rating, what would be the implications for the EU stability fund and the ability for eurozone bail-outs to continue in the future?

Mr Osborne: My hon. Friend asks a good question, which is being asked in the markets at present. I have to say that one of the causes of the instability in the last couple of weeks has been loose comments by Finance Ministers on issues such as that which he raises, so I will "take the Fifth" and not comment.

Jeremy Corbyn (Islington North) (Lab): Does the Chancellor of the Exchequer have any concerns about the unaccountable power of the credit rating agencies, who, seemingly at a whim, can cause disasters to be visited on small and vulnerable economies, increase interest rates, and lead to public spending cuts and devastation to many poor people's lives? Does he not think it is time that these rating agencies are brought under some kind of accountable control?

Mr Osborne: It might surprise the hon. Gentleman to learn that I agree with at least part of what he says: we do have concerns about how the credit rating agencies have operated. That is why we have been part of the European discussions to get some European rules on credit rating agencies put in place, and I think they are appropriate. I disagree with the hon. Gentleman, however, on blaming all of what is happening on credit rating agencies. However imperfect they might be, credit rating agencies are trying to give market investors some idea of the credit worthiness of countries and companies. The truth is that they have not led to the spending cuts. The reason why we have had to undertake spending cuts is that this country is currently spending close to 50% of GDP on public expenditure, which is far higher than the historical average under Conservative and Labour Governments. That is why we are having to act. We are doing so because we have a record budget deficit—the highest in our peacetime history and the highest in the G20.

Mr Mark Spencer (Sherwood) (Con): The Chancellor referred to Merlin and the agreement with the banks, but is he aware that these banks are double-counting their lending by forcing businesses to convert overdrafts into long-term loans? A business in my constituency wants to expand. It has full order books and wants to take on more staff, but it cannot do so because not only are the banks not being helpful, but they are actually being obstructive.

Mr Osborne: I would be very happy to look at that specific constituency case. Let me look into the details and get back to my hon. Friend with an answer, or meet him in person to discuss it.

Dame Anne Begg (Aberdeen South) (Lab): The sluggish growth rate has led the Office for Budget Responsibility to now forecast even higher unemployment. More jobs are being lost in the economy than are being created. The Government's own policies are adding to that, because they are putting new work obligations on to people who have been out of the work force for some time. While it is absolutely right that the Government help people to find jobs, not all of them will do so. It is very wrong that people who are doing all they can to find work and still have not done so will find they are facing the loss of their benefits. In light of the new growth figures, will the Chancellor speak to the Secretary of State for Work and Pensions, as the sanctions on these people should be lifted?

Mr Osborne: First, if I might correct the hon. Lady, the OBR is not forecasting rising unemployment over the Parliament; it is forecasting falling unemployment over the Parliament. I also remind her that half a million private sector jobs have been created over the last year. Let me deal directly with her point about social security. The welfare system is a poverty trap that is discouraging people from working. People on benefits

face incredibly high marginal tax rates if they find work. That is why my right hon. Friend the Secretary of State for Work and Pensions is, with my full support, seeking major reform of the welfare system, so we incentivise people off benefits and into work. That is one of the most important reforms this Government are undertaking.

Duncan Hames (Chippenham) (LD): Give our country's debts, it is reassuring to learn that the price for Government borrowing has fallen to the lowest levels since the last Liberal Government. How much more expensive would Government borrowing be for taxpayers and public services if our interest rates had gone the same way as those in other parts of Europe?

Mr Osborne: It would of course have been ruinous, not just for individuals but for the Government. One of the largest items of Government spending I inherited, unfortunately, was debt interest. We are raising taxes in order to pay our international creditors and that interest is forecast to rise, sadly, over the Parliament, as we reduce the deficit. That is why it is so important to try to get debt falling by the end of the Parliament. Of course, any reduction in our gilts yields is good for the Government and saves us money, too.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Can the Chancellor explain why his own Office for Budget Responsibility forecasts £46 billion of more borrowing?

Mr Osborne: The Office for Budget Responsibility makes its independent fiscal forecasts and, I think, one of the great policy developments of this Government has been the creation of that independent body, which will make its autumn forecasts in the usual way.

Laura Sandys (South Thanet) (Con): The Chancellor rightly mentioned the issues about the Doha round and trade. Trade permeates every aspect of our Government's growth agenda. Will the Chancellor comment on whether he believes that the G20 appreciates how crucial releasing trade and ensuring greater free trade is at this moment in the global economic cycle?

Mr Osborne: My hon. Friend is right to draw attention to the Doha round. The significance of this is that it is available for the countries of the world to seize—today, this month or next month—and implement. If one is looking around the world for something that could, in very short order, increase global demand, it is sitting there in the Doha trade round. I hope that we make progress at the G20. I suspect we will certainly be a leading advocate of making progress and we have some good allies, for example in China, but I have to say that there remain considerable obstacles, not least in the Democrat and Republican parties in the United States.

Steve McCabe (Birmingham, Selly Oak) (Lab): If it is true that we are being used as a safe haven, why are we not seeing significant growth in the value of sterling?

Mr Osborne: As I say, I have a simple policy not to comment, as previous Chancellors have also decided to do, on the value of sterling. I do not propose to break that commitment today.

Matthew Hancock (West Suffolk) (Con): In terms of the stimulus to the British economy, what does the Chancellor think would be the effect of increased borrowing, which would then have an impact on increased mortgage rates for millions of people up and down the country? What would be the aggregate impact, say, of a VAT cut?

Mr Osborne: My hon. Friend is right that there is a significant monetary stimulus in place through the very low market interest rates and of course the official rate. Both of those would go up, almost certainly in the case of the markets and probably in the case of the Monetary Policy Committee, although it is independent, and that is why all this talk of more fiscal stimulus is a debate that is happening only in the Labour party of the United Kingdom, alone in the world. It is very difficult to find an opposition anywhere in Europe arguing for less deficit reduction coming off the published plans of a Government. As I say, if the shadow Chancellor turned up at one of these meetings and put forward his proposal, he would be laughed out of the meeting.

Andrew Miller (Ellesmere Port and Neston) (Lab): On a bipartisan basis, may I invite the Chancellor, as a fellow Cheshire MP, to join me in sending our best wishes to the two Cheshire officers injured last evening?

On the subject of the statement, 11% coming off the stock market and massive hits to the values of British companies will have a knock-on impact on many pensioners. What is the Chancellor going to do about it?

Mr Osborne: Of course, stock market falls affect pension investments and other equity investments. Our stock market has fallen—not as much as some, but it has nevertheless fallen—

Ed Balls: Why is that?

Mr Osborne: It is because of the global lack of confidence in Governments' abilities to deal with their deficits. We have not seen turbulence in our bond markets precisely because we have in place a credible deficit reduction plan. I note that I have been answering questions for more than an hour and it has almost been an hour since the shadow Chancellor said that the Labour party needed a credible deficit reduction plan, but has a single Labour MP got up and proposed any component of that reduction plan? No, they have not.

David Rutley (Macclesfield) (Con): I welcome my right hon. Friend's statement and the fact that over the past year we have seen the private sector create four times more jobs than have been lost in the public sector. Does he agree that this is a better approach to job creation than the overreliance on the public sector, which was all too prevalent over the past decade in regions such as the north-west under the previous Administration?

Mr Osborne: My hon. Friend is absolutely right. First, I should take the opportunity that I did not take in answer to the previous question—as my hon. Friend, too, is a Cheshire MP—of praising the work of the Cheshire police, who have shown outstanding bravery over the past few days. My thoughts go out, as the hon. Member for Ellesmere Port and Neston (Andrew Miller) said, to the injured officers.

[Mr George Osborne]

My hon. Friend is absolutely right. Surely we have learned something from the past decade, which is that relying on an unsustainable housing boom, unsustainable Government spending and unsustainable bank lending is not a model of growth that this country can pursue again. We have to get off this country's addiction to debt, not just in the Government but in banks and households. That is what we are doing and it is a difficult adjustment that many western economies are having to go through. Unfortunately for us, given that we were the most enthusiastic participants in the debt boom, that adjustment is particularly difficult here in the UK.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the Chancellor agree with the recommendations of the recent economic commission of the Conservative party in Wales that job creation levers should be devolved to the Welsh Government? Does he agree that there is no need for another lengthy commission to come to that sensible conclusion?

Mr Osborne: As the hon. Gentleman knows, we are in active discussion with all the parties in Wales and with the Welsh Assembly Government, discussing what further powers might be devolved to the Welsh Assembly, including fiscal powers that might have a role in economic development. I do not want to pre-empt that debate, but the fact that we have been prepared to engage in it shows that we are doing this in good faith.

Neil Carmichael (Stroud) (Con): Given the credibility that the coalition Government have won through their deficit reduction programme, securing a triple A rating and having low interest rates, does the Chancellor think that it would be appropriate to send a message to encourage the same kind of decision making—swift and strong—across the eurozone?

Mr Osborne: I think we have got ahead of the curve. As I say, I am not one of those Finance Ministers who are having to come to their Parliaments and announce emergency budget cuts because they did not get ahead of the curve. It is important for the eurozone countries, and all countries, to have fiscal credibility. There are many good examples in the eurozone of countries that have done that and we are part of that pack.

Margaret Curran (Glasgow East) (Lab): I draw the Chancellor's attention to the unemployment rate in my constituency, where 24 people are chasing every vacancy. People in my constituency have learned lessons from previous years: we learned from Mrs Thatcher that mass unemployment is not a price worth paying. What does the Chancellor intend to do to tackle unemployment in my constituency, which seems likely to rise?

Mr Osborne: I would make the observation that only every Labour Government in history have left office with unemployment higher than when they came into office.

Nicky Morgan (Loughborough) (Con): Is not the best way to help the hard-pressed families, taxpayers, jobseekers and pensioners mentioned by Members in all parts of the House—people who are not rioting, but getting on with the business of trying to make savings in their budgets and their family's income—to ensure a stable economy, so that they can make sure that their living standards are maintained in the long term?

Mr Osborne: My hon. Friend is right. What we are able to provide in the Government debt market is the stability that is sadly lacking in other Government debt markets. All of us now need to rise to the challenge of removing the obstacles to growth; that will mean confronting some vested interests, pressure groups and, dare I say it, even, potentially, trade unions, but it is absolutely essential that this country wakes up to the competitive pressures of the modern world—the competitive pressures that countries such as China and Brazil present to us—and gets the private sector growing in a way that will create the sustainable jobs that were so lacking in the past 10 years.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Last year, Government borrowing came in some £20 billion lower than was anticipated; this year, we learn that it will be some £46 billion higher than was forecast. Can the Chancellor give us an explanation?

Mr Osborne: As I have already explained, we have an independent Office for Budget Responsibility—*[Interruption.]* I am pretty tempted to say that the answer is that the previous Chancellor did not want to have to downgrade his borrowing forecast four weeks before the general election, so he kitchen-sinked the borrowing forecast a year before, to make sure that he was able to show a reduction just before the general election.

Jo Swinson (East Dunbartonshire) (LD): I support the Government's plans for cutting the deficit, leading to lower interest rates and increased international confidence in the UK economy, but the Chancellor is well aware that our economy is still fragile, so if tax revenues are higher than expected, or if there are receipts from asset sales, will the Chancellor reinvest that in capital infrastructure projects and skills development, to give a boost to our economy and create jobs, rather than being seduced by the voodoo economics of giving tax cuts to the rich?

Mr Osborne: There are quite a lot of American references in this debate. We have used the receipts of some of the asset sales that we have proposed—and indeed undertaken—to invest in new infrastructure, or in a particular industry. Of course, we have to do that on a case-by-case basis, but the spending review set out how we were going to use the proceeds of some of the asset sales for future investment.

Pamela Nash (Airdrie and Shotts) (Lab): The Chancellor failed to mention in his statement that the Bank of England has now downgraded the growth forecast for this country five times since he took office. How does he reconcile that fact with his claim that Britain is a safe economic haven?

Mr Osborne: I reconcile it by quoting the Governor of the Bank of England, given that the hon. Lady mentions the Bank. *[Interruption.]* Labour appointed the Governor of the Bank of England; in fact, I suspect

that the shadow Chancellor made the appointment. The Governor of the Bank of England said yesterday that

"the UK has done what it can",

in terms of putting the major conditions in place to ensure a rebalancing and a recovery. He went on:

"We have a credible medium-term fiscal plan, which many countries do not".

Andrew Jones (Harrogate and Knaresborough) (Con): I welcome the Chancellor's statement. If he accepted submissions to revert to a VAT cut through a debt-funded cut, would it have an impact on the UK's triple A credit rating?

Mr Osborne: A multibillion-pound increase in our deficit would undermine market confidence in the UK, and would lead to an immediate increase in our market interest rates, probably within minutes. That would effectively mean higher mortgage and interest rates for businesses and families, and it would be one of the things that would choke off the recovery.

Alex Cunningham (Stockton North) (Lab): I was pleased to visit TAG Energy Solutions in my constituency on Tuesday—a company that has just invested £20 million in a new rolling mill to make monopiles and transition pieces for the offshore wind industry. It is still to land its first order, and it is frustrated at the disadvantage that it has in comparison with Germany and other European countries, which buy at home. When will the Chancellor really do something to help British industry, ensure British wind farm developers buy British, help TAG create hundreds of jobs in Teesside, and get our economy moving again?

Mr Osborne: We are seeking to develop a domestic green energy industry; the company that the hon. Gentleman speaks of sounds like a good example of that. I hope that people buy British products, such as wind turbines, because they are the best in the world. To help that company make the best products in the world, we have to create a very competitive business environment, because the competition from the likes of Germany is so strong. Some of the decisions that have been taken on our energy policy have provided some stability, which allows investment in renewable energy technology.

Andrew Percy (Brigg and Goole) (Con): The Humber is one of the regions that, over the past 10 years, lost private sector jobs, and instead relied on the public sector. Our way back is through manufacturing, so may I urge the Chancellor to look very closely at measures such as carbon floor pricing, and to look at clipping the wings of organisations such as Natural England, which are frustrating the planning process locally? Perhaps more parochially, will he look seriously at the submission from the Humber Bridge Board to buy the Humber bridge and cut tolls by next year?

Mr Osborne: I completely agree with my hon. Friend about the need to make progress on our planning reforms for the reasons that he gives. That means making some difficult decisions, and taking on some pressure groups, but I think that is absolutely right. Our planning reforms take into account the need to preserve our natural environment.

Believe it or not, I am very familiar with the subject of Humber bridge tolls because my hon. Friend the Member for Beverley and Holderness (Mr Stuart) is a tireless campaigner on them. The Treasury is conducting an economic study of the effects of the tolls, and that will report at some point in this Parliament.

Roberta Blackman-Woods (City of Durham) (Lab): I congratulate the Chancellor on recognising, albeit somewhat belatedly, that there is a link between what happens in the global economy and what happens in the UK economy. In the light of that, what action does he intend to take to ensure that the problems with the US economy and the eurozone do not lead to further downward pressure on UK economic growth?

Mr Osborne: Unfortunately, I cannot make the UK invulnerable to events elsewhere in the world. Of course there is a global connection. I would draw this distinction between what I am saying and what the previous Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), says. I am not saying that Britain has been blameless in the way it has handled its economy in the past decade or so. I am saying that we were the most enthusiastic participant in a global debt boom, and as a result we have one of the more difficult adjustments. That is, I am afraid, a statement of fact.

Roger Williams (Brecon and Radnorshire) (LD): Recent reports have shown that the rural economy has the capacity to grow quickly if it has the right conditions. Will the Chancellor confirm in his autumn update on the plan for growth that those conditions will be met so that the rural economy can play its part in improving the national finances?

Mr Osborne: We recognise the specific needs of the rural economy. Meeting them is one of the specific work strands in the second phase of the growth review. I know something of the hon. Gentleman's constituency. One of the absolute keys to rural economic development is getting the infrastructure right, especially rural broadband, which will open up all sorts of business opportunities in what would previously have been regarded as quite remote places. That is why we are right to be investing in rural broadband in Wales and across the UK.

Dr Alan Whitehead (Southampton, Test) (Lab): Will the Chancellor take the opportunity today to repudiate the OBR's linkage of low growth with a requirement of £46 billion additional borrowing over the next period? If he will not, what additional cuts is he planning in order to avoid that outcome?

Mr Osborne: The hon. Gentleman misunderstands two things. First, the OBR is independent. If it is going to work as a permanent institution, it will need the support of the official Opposition. I hope that that is forthcoming, not just in the letter but in the spirit. There should not be a constant demand for the Chancellor of the day to provide their own fiscal forecasts. Secondly, as I say, we have put in place a credible deficit reduction plan. We heard from the shadow Chancellor that Labour needed a credible deficit reduction plan as well. Not a single Labour Member, including him, has proposed a single pound of spending cuts. Until the Labour party gets that credible plan, it will not really be able to participate in a sensible debate.

George Freeman (Mid Norfolk) (Con): Has my right hon. Friend seen the latest data which show not only that the private sector has created four times more jobs than the public sector has lost but that Britain is now second in the G20 league of net job creation? Does that not show that the deficit strategy is working, and that the shadow Chancellor is wholly out of touch and has not learned the golden rule that you cannot borrow your way out of a debt crisis?

Mr Osborne: The shadow Chancellor has a bit of a history on his golden rules, and they do not usually turn out to work, but my hon. Friend is right that we are seeing net job creation. We are not remotely complacent about that. We are working extremely hard at improving the competitiveness of British industry, making sure that it is able to export and invest. That is the model of growth that this country now has to pursue.

Katy Clark (North Ayrshire and Arran) (Lab): As the Chancellor knows, growth figures over the past nine months have been 0.2% and in the preceding nine months they were 2.1%. Many of the suggestions from the Opposition are about growth and economic regeneration. If we continue to see growth figures of that nature, either flatlining or negative, will the Chancellor reconsider his position and look at policies that stimulate growth?

Mr Osborne: The only thing I have heard from the Opposition—who by the way presided over the deepest recession since the 1930s—is a complaint every time there is a proposal to cut public expenditure. We heard that earlier today. I have not heard about any growth policies—as the hon. Lady puts it—from the Labour party; I have just heard opportunistic opposition to everything the Government are doing to have a credible deficit reduction plan. The shadow Chancellor has set himself his own test; he says he will produce a credible medium-term fiscal deficit plan. Let's hear it.

Several hon. Members *rose—*

Mr Speaker: Order. I thank the Chancellor of the Exchequer and the 52 Back Benchers who have questioned him.

Point of Order

3.40 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): On a point of order, Mr Speaker. During the Prime Minister's statement, you suggested that people could not speak if they were not here at the beginning of that statement. Could you clarify for me whether that includes people who were not on the Floor of the House but were indeed sitting in the Galleries?

Mr Speaker: I do not think any clarification is required. I simply say to the hon. Lady that by recent custom and practice, an hon. Member would be expected to be near a microphone in order properly to pose a question and to receive an answer. When a Member is in the Chamber for that purpose, he or she can do so. I did not refer to any particular Member. I have no intention of doing so and no need to do so. I said what I did and I felt that it was clear to the House.

Business without Debate

SITTINGS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising this day, do adjourn until Monday 5 September 2011.—*(Sir George Young.)*

Question agreed to.

Public Disorder

3.42 pm

The Secretary of State for the Home Department (Mrs Theresa May): I beg to move,

That this House has considered the matter of Public Disorder.

Mr Speaker: I remind the House that in view of the enormous interest in the debate I have imposed a limit of five minutes on Back-Bench speeches. There is no limit on Front-Bench speeches and I leave it to the Home Secretary and the shadow Home Secretary to tailor contributions in the light of the level of interest.

Mrs May: Thank you, Mr Speaker.

The last five days have been a dark time for everybody who cares about their community and their country. Violence, arson and looting in several of our towns and cities, often openly in front of television cameras, have destroyed homes, ruined livelihoods and taken lives. As long as we wish to call ourselves a civilised society, such disorder has no place in Britain.

I know that the House will want to join me in paying tribute to the bravery of the policemen and women who have worked to restore order on our streets. In particular, I know that hon. Members will want to lend their support to the police officers who have suffered injuries in the course of their duties, and the whole House will want to send condolences to the families of the three men so senselessly killed in Birmingham on Tuesday night.

The violence of the last five days raises many searching questions, and the answers may be painful to hear and difficult to put right. Why is it that so many people are prepared to behave in this way? Why does a violent gang culture exist in so many of our towns and cities? Why did the police find it so hard to prevent or contain the violence? It will take time to answer those questions fully and adequately, but I will take each of them in turn.

First are the reasons behind that behaviour. We must never forget that the only cause of a crime is a criminal. Everybody, no matter what their background or circumstances, has the freedom to choose between right and wrong. Those who make the wrong decision, who engage in criminality, must be identified, arrested and punished, and we will make sure that happens.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Does the right hon. Lady not recognise what the Prime Minister said earlier? Every crime has a context. Is it not important, therefore, to have a full and proper inquiry, led by somebody of the level and competence of Lord Scarman, to look at the wider context of all these events? Of course, as the Home Secretary says, stating the blindingly obvious, the acts are the responsibility of those who committed them.

Mrs May: The right hon. Gentleman asked the Prime Minister exactly the same question, and he gave a very clear answer. The Home Affairs Committee will consider the policing of the violence that has taken place over the past five days, and I will bring a report on gang culture and the number of gangs in our society—I will make further reference to it—to the House in October.

Mr David Burrowes (Enfield, Southgate) (Con): I commend the points that my right hon. Friend has made in opening the debate. Does she share the concern relayed by a number of hon. Members about the soft sentences for such disorder passed in the cases that have already gone through the courts? Does she share my concern that, although we talk about riots, the number of people charged with riot is very small? As these were riots, whoever is charged with an offence during the nights of disorder should punished accordingly.

Mrs May: We have been clear in encouraging those who are making decisions about charging and, indeed, those who will make sentencing decisions in the courts to consider these crimes in the context of the circumstances. My hon. Friend refers to the fact that no one has been charged with the very specific offence of riot. The police and the Crown Prosecution Service are making the right charging decisions, in the context of ensuring that they recognise the impact that people being on the streets can have.

No one doubts that the violence that we have seen over the past five days is a symptom of something very deeply wrong with our society. Children celebrated as they smashed their way into shops. Men in sports cars arrived at stores to steal goods. Women tried on trainers before they stole them. A teaching assistant was caught looting. Thugs pretended to help a injured young man but robbed him. They are shocking images, but they are in fact symbols of a deeper malaise in our society.

Almost 2 million children are brought up in households in which no one works. One in three children leaves primary school unable to read, write and add up properly. We have the highest level of drug abuse in Europe. Almost 100 knife crimes are committed every day and nearly 1 million violent crimes every year. Half of all prisoners reoffend within a year of their release from prison. Those are serious social problems, and we cannot go on ignoring them. No one is pretending that there are easy answers to such deep-rooted problems, but they are the reasons why the reform of welfare, schools and the criminal justice system cannot wait.

Toby Perkins (Chesterfield) (Lab): The right hon. Lady lays out the context of the difficult role that faces our police. In that context, is it not bizarre that the Government should choose to make such swingeing cuts to the Home Office budget and particularly to the police budget, in comparison with other budgets that have survived relatively intact? Why does she not fight her corner and ensure that we have enough police on the streets to do the job?

Mrs May: I am clear that there will be enough police on the streets to do the job that we and the public want them to do, and that police officers want to do. I say to any other Opposition Member who wants to make a similar point that I listened to the previous statement and it is now absolutely clear that the Labour party has abandoned any pretence of having a credible policy to deal with the deficit.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): The Prime Minister said this morning that, all of sudden, the Met could turn out 16,000 people in a day, rather than the previous 6,000 or whatever the figure was. That does not take into account all the other policemen and

[Mr Elfyn Llwyd]

women from all the other forces. How many Met police were in fact turned out, and how many came from other forces?

Mrs May: A significant number did indeed come from other forces. I do not want to give the right hon. Gentleman figures that are incorrect, so I will get the precise figures for him. It is right that the 16,000 figure that the Prime Minister spoke about included mutual aid from other forces. I pay tribute to all the forces around the United Kingdom that have been willing to provide support and trained police support units.

Keith Vaz (Leicester East) (Lab): Is it also the right hon. Lady's understanding that if a police authority has had to dip into its contingency fund to pay any of the additional costs of high police visibility, which we all understand have to be met, it will be recompensed—that there is no question of police authorities having to expend the money themselves?

Mrs May: The right hon. Gentleman has been involved in home affairs long enough to know that a scheme is available under which police forces can make special requests to the Home Office in relation to specific expenses that they have had to incur. There are some rules on how the scheme operates but, as the Prime Minister made clear, we are committed to providing support to police authorities, and therefore police forces, in relation to the financial implications of the Riot (Damages) Act 1886. As the House will be aware, those costs could be significant, given the events on our streets.

Barbara Keeley (Worsley and Eccles South) (Lab): Will the Home Secretary give way?

Frank Dobson (Holborn and St Pancras) (Lab): Will the right hon. Lady give way?

Mrs May: I will give way to the hon. Lady, then make a little progress.

Barbara Keeley: Apropos police budgets, will the right hon. Lady comment on what it has been reported she was told by Greater Manchester police about what happened on Tuesday:

> "We really didn't have the staff, protection or resources to deal with it. I find it really, really frustrating and really worrying that people could have got killed."

So overstretched were our officers in Greater Manchester, particularly in Salford, that apparently they reported to the Home Secretary that they could have been killed. It is not only Labour Members who are saying this; it is police officers, as well.

Mrs May: I was pleased to visit Greater Manchester police yesterday and to sit down with some of the officers—the most highly trained riot officers—who had been on the front line in Salford on Tuesday night. One of the most striking comments made by an officer was that he had looked up into the sky and it was dark because it was raining bricks. They were under extreme pressure that night, facing violence of a ferocity that they had not seen before. There were times in Salford when the police did not have sufficient numbers to deal with what was happening on the street, and they had to retreat and regroup both for their personal protection and to make sure that they could do their proper job of protection on the streets.

I can inform the right hon. Member for Dwyfor Meirionnydd (Mr Llwyd), who asked how many of the 16,000 officers in London were Metropolitan Police Service officers, that more than 90% were.

Andrew Miller (Ellesmere Port and Neston) (Lab): Will the Home Secretary give way?

Mrs May: I said I wanted to make some progress, but I will give way to the hon. Gentleman. I am conscious that the right hon. Member for Holborn and St Pancras (Frank Dobson), whose constituency was affected, rose earlier. If he still wishes to intervene, I will take his intervention next.

Andrew Miller: Following the right hon. Lady's reply to the right hon. Member for Dwyfor Meirionnydd (Mr Llwyd), who speaks for the Welsh nationalists, can she give similar figures for Manchester and Liverpool, which also drew on resources from surrounding forces? We heard earlier about injuries sustained by Cheshire officers, for example. I think the figures ought to published and made available to everyone.

Mrs May: I could provide a map of where officers went around the country, but it was not a matter of simple exchanges between one force and another. Officers from one force will have gone to support another, with subsequent backfilling by officers from a further force. The whole point of the ACPO PNICC—police national information co-ordination centre—arrangement is that such movements around the country can be worked so that when a force asks for numbers to be increased, officers are available. The key element is that the officers in question are mainly in police support units—officers who are specially trained in public order—thereby ensuring that the officers on the streets have the right level of training.

Frank Dobson: In response to the hon. Member for Enfield, Southgate (Mr Burrowes), the Home Secretary said that no one had been charged with riot because the particular circumstances of riot had not arisen, or the charge was inappropriate. Will she confirm that that fact will not be used by the Metropolitan police to weasel out of providing the compensation that should be provided under the Riot (Damages) Act?

Mrs May: I think I can provide that guarantee to the right hon. Gentleman.

Stephen Timms (East Ham) (Lab): My constituency was badly affected on Monday. I wanted to ask about the police cuts. The Prime Minister told us earlier that the budget cuts could be managed with no reductions in visible policing. As the Home Secretary knows, in London a large number of police sergeants are being taken out the leadership of safer neighbourhoods teams in a very visible way. Are we to take it that the Government think there is a different way of managing cuts in London from the one that is being implemented?

Mrs May: No. We are leaving police forces, as is appropriate, together with their police authorities, to decide in relation to budget what will happen. We are leaving chief constables to make operational decisions about how they do that. What is absolutely clear in relation to the Metropolitan police is that under the leadership of the previous Commissioner, Sir Paul Stephenson, the Metropolitan police increased the availability of police in terms of the number of hours that would be spent and the amount of ground that could be covered by moving to the single patrols. They said, "There is a different way of doing this." That is a good example of how such an innovative approach can improve the presence on the ground.

I shall now move on to the question of gang culture in many of our towns and cities. Six per cent. of young people are thought to belong to a gang of one kind or another. Gangs are inherently criminal. On average, entrenched gang members have 11 criminal convictions, and the average age for the first conviction of a gang member is just 15. They are also inherently violent. Gangs across the country are involved in the use and supply of drugs, firearms and knives. From talking to chief constables who have dealt with the violence of the past few days, it is clear that many of the perpetrators, but by no means all of them, are known gang members. So we have to do more to tackle gang culture.

We have already announced plans to provide £4 million in funding to London, Greater Manchester and the west midlands over the course of this year and next to tackle their gang, guns and knives problem. We are providing a further £4 million over two years to community organisations working to stop young people becoming involved in gangs, help young people get out of gangs and support parents to help their children, and we are working with the Prince's Trust to support young people who want to prevent gang violence, through the new Ben Kinsella fund.

Mr Robert Buckland (South Swindon) (Con): It is clear that many of the perpetrators of these appalling crimes have been very young children indeed, and we know the limitations of the criminal law in relation to detention for young offenders who are under 14. Does my right hon. Friend agree that efforts to use restorative justice principles with young offenders, making them face up to the victims of their crimes and making them play their part in restoring the damage that they have done would be a good way to divert those young children from further involvement in the gang culture and in the crimes that we have seen?

Mrs May: I have long been a supporter of restorative justice where it is going to work. That is one of the key issues that we need to look at when we consider what is an appropriate way of dealing with individuals. Restorative justice has a record of dealing particularly well with those who are young and first offenders. However, sadly, it may be the case that even at a very young age, some of the people we are looking at who have been involved in the violence are not simply first offenders. It is a sad comment on our society that there may be those who have been involved as gang members in criminal activity previously. But we need to do more.

Several hon. Members *rose—*

Mrs May: I am conscious of the strictures that Mr Speaker put on the length of the debate. The right hon. Member for Bermondsey and Old Southwark (Simon Hughes) asked earlier to intervene, so I will give way to him.

Simon Hughes (Bermondsey and Old Southwark) (LD): I am grateful. Does the Home Secretary accept that the evidence from the police and the community in urban communities such as mine is that there are 40 or 50 serial serious criminals who are regularly the causes of most of the trouble and most of the crime, and who were involved in the past week's activities? Will chief police officers and local police commanders assure us that such criminals are a central target for activity, so that they cannot sweep in the youngsters referred to in the previous question and others, who become the followers, but are following only because there is someone seriously criminal who leads?

Mrs May: I assure my right hon. Friend that the police are very clear that they want to identify and arrest all those who have been involved over the past few days, and they are conscious that that means not just those who find themselves caught up in it but the core criminals, who are well known to them. As a number of chief constables have been saying to me, they know a number of the gang members who have been involved because they have had interaction with them before.

Several hon. Members *rose—*

Mrs May: I hope that hon. Members will bear with me and allow me to make a little more progress because I am conscious of the time available for the debate.

We need to help communities more in sharing ideas and expertise on how we can tackle their gang problems, so working with ACPO we will establish an ending gang violence team of experts drawn from across the country, from the police service, local authorities and the voluntary sector, to provide an up-to-date map of the scale of the problem and practical, on-the-ground expert advice to areas wanting to get on top of their gang problems.

In January we launched gang injunctions, which give the police the power to impose tough sanctions on adult gang members, such as barring them from entering certain parts of town, appearing in public with dogs or wearing their gang colours or emblems. As the Prime Minister said in his statement earlier today, we will now go further and introduce gang injunctions for young people under the age of 18, not just in pilot form but throughout the country. As the Prime Minister also said in his statement, and as I said in answer to a question, I will present a report to Parliament in October on a cross-Government programme to combat gangs.

Hazel Blears (Salford and Eccles) (Lab): I have listened carefully to what the Prime Minister and the Home Secretary have had to say so far, and I have heard already that we want the police to be able to surge in numbers in immediate crisis situations. The Home Secretary has now given a reassurance that the police will focus on the most prolific and serious offenders in our communities and she is now going into detail about how the police will work with a range of community partners to end

[Hazel Blears]

gangs. There has to be a limit to what the police can achieve, and in Greater Manchester we will have 1,500 fewer of them at the end of this period. Cuts do need to be made, but at the moment a 20% cut genuinely needs to be re-evaluated in the light of the incidents and the severity of the events we have seen.

Mrs May: I pay tribute to the way in which the right hon. Lady has entered into the debate generally. Her constituency was particularly badly affected and is a particular example of criminal gangs operating on the streets in order to test and press the police. I will give the same answer to her in relation to police budgets as I gave earlier and as my right hon. Friend the Prime Minister gave to a number of Members who raised the issue. At the end of the spending review period, the police will have the numbers to enable them to deploy in the way they have during the last few days. It is possible to make cuts in police budgets by taking money out of matters such as better procurement to ensure that we can achieve the cuts that we need to make while still leaving police able to do the job that we want them to do and that they want to do.

In January 2011, the chief constable of Greater Manchester police, Peter Fahy, told the Home Affairs Committee:

"we have large numbers of officers still in roles that do not require the skills, the powers and expertise of a police officer. It is through that route over the next four years where we will achieve quite a bit of savings."

Mr William Cash (Stone) (Con): I congratulate my right hon. Friend on the emphasis that she is putting on the gang culture, which the Prime Minister himself referred to when he said that it was a culture that glorifies violence and says everything about rights but nothing about responsibilities. Does she agree that the legal restraints that are placed upon, for example, the police, social services, teachers and parents, in imposing discipline in the home, in school or elsewhere, directly derive from a number of legal constraints that come from, for example, the Human Rights Act 1998, which needs to be repealed? We cannot deal with the culture and with the question of rights and responsibilities unless we deal with one of the root causes, which is this idea that people can do anything and get away with it.

Mrs May: We are taking steps to deal with the culture, and one example is that my right hon. Friend the Secretary of State for Education is taking steps to ensure that we restore discipline in our schools. My hon. Friend refers to the Human Rights Act, which was referred to during questions to the Prime Minister, and my hon. Friend is well aware that we are looking at the issue both through the Bill of Rights commission that has been set up by the Ministry of Justice and my right hon. and learned Friend the Justice Secretary and work that we are doing with the ECHR.

Several hon. Members *rose—*

Mrs May: I ask hon. Members to bear with me, because I am very conscious of the fact that many will wish to speak in the debate.

I want to move on to the questions about the police reaction to the violence, because I know that hon. Members, like members of the public, are concerned about the speed and quality of the police response. That response has changed over the past five days and has differed across the country. We need to appraise it honestly and bluntly and learn lessons where things have gone wrong. As we know, the first disturbances in London began in Tottenham on Saturday night. The police operation began with the originally peaceful protest about the death of Mark Duggan. Officers were understandably cautious about how they policed the protest, but as the violence began they lost control and a fully fledged riot followed.

On Sunday night, with Tottenham calm, the police managed to nip in the bud trouble at Oxford Circus, but the violence spread to Enfield and Brixton. On Monday night, the number of officers deployed in London increased to 6,000, two or three times more than there are on a normal evening, but still that was not enough and, with the violence reaching Hackney, Peckham, Croydon, Ealing, Lewisham and Clapham, officers were overwhelmed. In Clapham, the mob ran amok for more than two hours before the police regained control. That is simply not acceptable.

On Tuesday, the Prime Minister and I held a meeting with the acting Metropolitan Police Commissioner, in which he set out his intention at least to double the deployment of officers. During the day, a number of offenders were identified, arrested and taken out of circulation. Officers took a tougher approach and intervened earlier to disperse groups before trouble began. Leave was cancelled, special constables were mobilised and mutual aid was stepped up, so up to 16,000 officers were deployed in total. As I said, officers took a more robust approach to tackling disorder and making arrests. There are tricky days and nights ahead, but thanks to the efforts of those thousands of officers order has in large part been restored.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab)—*rose.*

Mr Chuka Umunna (Streatham) (Lab)—*rose.*

Mrs May: I will give way to the hon. Lady, whose constituency was affected, and then to the hon. Gentleman.

Ms Abbott: The whole House admires the bravery and courage of the police officers, who were often up for three or four days without any time off, and we understand the need to police the disturbances in Tottenham carefully, but young people were seen looting Wood Green shopping centre and Tottenham Hale retail park for hours early on Sunday morning, which I think gave the green light to every little hooligan in London to come out on following days to loot and steal.

Mrs May: It is unacceptable that people were able to do that on our streets. There were not enough police on the streets on Saturday night. The number of police was increased further on Sunday and Monday, and it was then clear that that needed to go further. We had a conversation with the acting Metropolitan Police Commissioner, who presented plans to more than double the number of police on the streets. I have been clear

over the past few days that we need not only the police presence, but a tough policy on arrests to give a very clear message that these actions have consequences so that people do not think that they can get away with it in the way the hon. Lady suggests.

Mr Umunna: I am grateful to the Home Secretary for giving way. The surge in officers that came after the decision taken at 9 am on Tuesday made a huge difference in my constituency and meant that we had a peaceful night. Did the commissioner explain why he did not increase the number of police to 16,000 sooner? The police in my constituency dealt with a really impossible situation and we are incredibly grateful to them, but why was that decision, which was announced by the Prime Minister at 9 am on Tuesday, not made sooner—for example, on Monday evening, because it was very clear in our area, given what had happened on Sunday night, that this would get far bigger?

Mrs May: The hon. Gentleman raises a valid point. That is one of the issues that we need to look at in more detail. However, the answer that I would give him is that when the police were looking at their numbers and bringing in some mutual aid, which they did on Monday night, they were of the view that they would have the capacity to deal with what they believed was going to happen.

The police were dealing with a different situation from that which they had seen before. One comment that a number of chief constables and officers have made to me is that they were surprised by the speed with which gangs were able to mobilise through the use of social media, and I shall come on to the issue of social media. Very real questions have to be answered about how we take forward those policing matters, and that is why we need to make sure that we learn the lessons from that situation.

The hon. Member for Streatham (Mr Umunna) is right that the number of officers then put on the streets on Tuesday night was effective. That robust policing, coupled with a robust arrest policy, was effective; it has been continued, and other forces have followed it through.

Tony Lloyd (Manchester Central) (Lab): It is very easy for us as politicians to be armchair police officers, and it would have been wrong to comment on the night, but we need a cold analysis in order to know whether, for example, the lessons of the surge in London were taken on board in other parts of the country. That is not a matter that should divide the House; that is a matter of concern to my constituents, obviously, to those of other Greater Manchester Members and to those in other cities and conurbations throughout the country.

Mrs May: The hon. Gentleman makes a very valid point, and yesterday I had a conference call with chief officers from throughout the country to tell them that we wanted them to adopt exactly that approach. I shall refer to that in a few minutes.

Mike Gapes (Ilford South) (Lab/Co-op): Will the Home Secretary give way?

Mrs May: I am going to make a little more progress, because, although the number of officers on the streets on Tuesday night made a difference in London, we saw more disorder in other parts of the country. We saw it in towns and cities including Manchester, Salford, Nottingham, Wolverhampton and, for a second night, Birmingham, where there was further violence. In Greater Manchester and the west midlands, despite the best efforts of officers, we saw for a while that thugs, not the police, were in control of the streets.

In Winson Green in Birmingham, as we know, three young men were killed when they were hit, apparently deliberately, by a car, and I, like the whole House, want to pay tribute to Tariq Jahan, the father of one of the victims, for an extremely dignified call for calm, which undoubtedly did much to calm community relations.

As I have just said in answer to an intervention, yesterday I convened and chaired a conference call with chief officers from every force in the country. We agreed the mobilisation of all special constables, the cancellation of police leave throughout the country and the adoption of the tactics deployed by the Metropolitan police in London. Again, there are difficult days and nights ahead, and we are not complacent, but at this stage order has been resorted.

We said that we would do everything necessary to bring the disorder to an end, and we meant it. We made it clear to the police that there was nothing to stop them using baton rounds if they judged it necessary, and we put the water cannon stationed in Northern Ireland on standby, to be deployed within 24 hours. The police made it clear to me that they did not want to use them, and, as things stand, what is working to restore order is officers on the streets and robust policing with the help and support of local communities. We would jeopardise that if we rushed to use things such as rubber bullets.

Margot James (Stourbridge) (Con): During the Prime Minister's statement, we heard a lot about the stand-and-observe order that was apparently given to the police in particular circumstances. We all agree that that was terrible, but was not the policy determined mostly by police concern about over-reaction, given that they have been so criticised for how they dealt with the G20 riots, on which there is a case pending in the European Court of Human Rights? Does the Home Secretary agree that, whatever police powers we end up agreeing with, in such circumstances we must provide consistent support when things go wrong?

Mrs May: My hon. Friend makes an important point that I will come to in my remarks.

The police are concerned to ensure that when we talk about robust policing, we definitely give them backing for what they want to do. Policing by consent is the British way, but the police retain the confidence of the wider community only if they are seen to take clear and robust action in the face of open criminality. On Monday night it was clear that there simply were not enough officers on duty. The largest policing event in London is the Notting Hill carnival. There were about 6,000 officers on duty on Monday night, which is the number that the police usually deploy for the Notting Hill carnival. It was clear that in the circumstances that developed that was not enough officers on duty.

It is clear to me that the original police tactics were insufficient—exactly the point that my hon. Friend the Member for Stourbridge (Margot James) raised. After the criticism of previous public order operations for excessive force, some officers appeared reluctant to be

[Mrs May]

sufficiently robust in breaking up groups. Many arrests were made, but in some situations officers contained suspects in a specified area where they were free to commit criminal damage and steal, instead of intervening and making arrests. I want to make it clear to the House that in making these points, I am not criticising the police. Too often, the police are damned if they do and damned if they don't. Nowhere is that truer than in public order policing. I want to be clear that as long as officers act within reason and the law, this Home Secretary will never damn the police if they do.

David Tredinnick (Bosworth) (Con): Earlier, I raised with the Prime Minister the nervousness of the police in acting since the G20 disturbances and the sad death. Will the Home Secretary reassure the House that officers who take robust action will not find themselves on the wrong end of the law?

Mrs May: As I have just said and as I have made clear to the police from when I first took on this role, I will always back officers who do the right thing and operate within the law. Appropriate action must be taken against officers who do the wrong thing, but we will back officers who do the right thing and I will back them as Home Secretary.

Miss Anne McIntosh (Thirsk and Malton) (Con): Will my right hon. Friend give way?

Mrs May: I ask my hon. Friend to bear with me for a few minutes because I want to talk about another way in which the police response could have been better, which is in the harnessing, sharing and analysis of intelligence.

Even in the best of economic times, we would not have the resources to keep up this level of deployment continuously, so public order planning and intelligence will need to be considerably better. This is not the first time that criminals with plans to disrupt life in our towns and cities have used technology to plot their crimes. Social networking sites such as Twitter and Facebook and messaging services such as BlackBerry Messenger have been used to co-ordinate criminality and stay one step ahead of the police. I will therefore convene a meeting with ACPO, the police and representatives from the social media industry to work out how we can improve the technological and related legal capabilities of the police.

Tracey Crouch (Chatham and Aylesford) (Con): Social networking has obviously been heavily involved in the organisation of the disruption. However, open social networks such as Twitter have also provided the police, including Kent police, with an opportunity to dispel rumours and myths about where future disturbances will happen. There is more of a problem with closed networks such as BlackBerry Messenger. Will the Home Secretary congratulate forces that have used social networking to their advantage and concentrate on the closed networking opportunities that have been used by others?

Mrs May: I certainly congratulate forces that have used social networking to their advantage. Kent police are one example and the Metropolitan police have also used social networking. That is why what should be done in relation to social networking is not an easy open-and-shut case. There are positive uses of social networking sites as well as negative uses. That is why it is important that I convene the various parties involved to sit down and talk this matter through in a sensible way. Among the issues we will discuss is whether and how we should stop people communicating via such websites and services when we know that they are plotting violence, disorder and criminality.

Several hon. Members *rose—*

Mrs May: There is a limit on Back-Bench speeches and I have already spoken for more than half an hour, so if hon. Members will bear with me, I think that I should finish my speech and give Back Benchers the opportunity to speak.

A further difficulty, not just in the past week's disorder, but in other recent operations, has been face covering by criminals. The police already have a power to require people to remove face coverings in certain limited circumstances. Section 60 of the Criminal Justice and Public Order Act 1994 allows officers to force their removal only in a specific geographical location for a limited time, linked to a threat of violence. That does not leave discretion to individual constables or allow officers to nip trouble in the bud early. We will change the law to allow police officers to remove face coverings if they have a reasonable belief that they are related to criminal activity, under any circumstances. As the Prime Minister has said, we will also consider the use of existing dispersal powers and whether any wider power of curfew is necessary.

We often say in the House that there can be no liberty without order and the events of the past five days have shown that more clearly than ever. The tide is turning, and order is returning to our streets. Since Saturday, more than 1,200 people have been arrested and more than 400 have been charged. Courts in London, the west midlands and Manchester have worked through the night and offenders are already starting to be prosecuted. I am clear that the perpetrators of the violence must pay for their actions, and the courts should hand down custodial sentences for any violent crimes.

The tide is turning because communities throughout the country have said that enough is enough. It is turning because the thugs are being arrested and locked up. It is turning because of the bravery and dedication of the men and women of our police forces. We ask police officers to put themselves in harm's way on a routine basis. We ask them to go into dangerous situations that most of us hope we will never experience. We have the best police officers in the world and we owe them all a debt of gratitude.

4.21 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): We gather today in sober circumstances, when the scenes on the streets of Britain's cities have disturbed and appalled us all: burning buildings, looting, beatings, smashing windows, setting cars on fire, with shop owners fearful for their livelihoods and residents fearful for their very lives. City dwellers, who have been proud of regeneration and the reclamation of the streets as urban crime fell, suddenly feel afraid to walk outside their doors.

Yesterday, I talked to a woman in West Bromwich outside her shop. It is a small shop, which she staffs alone. Two of her neighbours were also small business women running their own high street shops. On Tuesday afternoon, those women were terrified by gangs who tore down that high street, throwing bricks and setting a van alight outside the sweet shop on the corner. Yesterday, they were back in their shops—they work hard—but they were afraid. The jeweller's opposite had decided not to open at all. The security and confidence in going about their daily lives that they normally took for granted had been destroyed.

We have all been horrified by the extent of criminality—the opportunistic looting, the aggression, the greed, the lack of respect for people, property, community or the law—that we saw in those involved over a series of nights. However, we must not let that blind us to the heroism, bravery and determination of communities to support law and order and to stand against the violence and the chaos.

In particular, I want to join the Home Secretary in paying tribute to those police officers who have worked so hard to face up to the criminals and restore order. Many have been out on the streets working 17 or 18-hour days, standing up to baying mobs. Officers have come from throughout the country into cities to help, and specials and police community support officers have been doing everything they can. We should pay tribute to their bravery and to that of the fire and other emergency services.

We should also pay tribute to those in our communities who have worked hard to prevent violence from escalating: the thousands who have joined clean-up campaigns; the people who are helping the police now, reporting the neighbour who has suddenly got three new tellies; and those who are reaching out to young people to prevent them from getting drawn into criminal activity. We should recognise that millions of young people across Britain were also deeply appalled by the violence of a minority. They reject the criminal action that we have seen.

All our thoughts will also be with the family and friends of those who have died. I particularly want to send condolences, as the Home Secretary has done, to the families of the three young men in Birmingham who were killed in the early hours of yesterday morning in the constituency of my hon. Friend the Member for Birmingham, Ladywood (Shabana Mahmood). She has told me how much those young men were loved and how devastating their loss is to their friends, families and communities. Special tribute must go to Tariq Jahan, who stood before the public, just hours after losing his son Haroon, to appeal for calm. He said:

> "'Today we stand here to plead with all the youth to remain calm, for our communities to stand united."

That was the sentiment of a man and a family in their darkest hour, which has resonated—and should—throughout the country.

It was a disgrace to see literally thousands of British citizens, many of them not yet even old enough to vote, ripping through our urban fabric, but standing against them now are not just thousands of British police officers, but millions of British people, who love their cities and towns, and who support their communities and the rule of law. That is what has been so shocking and disturbing for city dwellers over the past few nights: the fear that the rule of law, which we so often take for granted, could suddenly seem to be ripped up. Those women in West Bromwich whom I talked to yesterday need the confidence to keep their businesses open and to be able to lock up at night and walk the streets home to their families in safety. People have a right to feel safe in their homes and safe on their streets. Maintaining respect for the rule of law is a fundamental part of our democracy and why we as democrats in this House all stand to support it now. Ultimately, it is about respect for other people—for their safety and their livelihoods.

That is why we now support the Government and the Home Secretary in their work to restore order to our streets and normality to our communities. I know that the Home Secretary has been deeply worried and concerned about these events from the start. I know that she called my right hon. Friend the Member for Tottenham (Mr Lammy) on Sunday to express her concern and that she returned to the Home Office on Monday. I commend her for doing so, and for her early grasp of the seriousness of the violence. We support her and the Prime Minister in their determination to restore order to Britain's streets. As other Members have said, it is important that we come together in this House to condemn the criminality that we have seen. There is no excuse for the violence, destruction and theft, putting lives as well as livelihoods at risk. The perpetrators must take responsibility and face the consequences of what they have done.

The Government were right to convene Cobra, were right to recall Parliament and are right to support the police in the action that they need to take. Thankfully, last night was relatively calm, and we have seen progress being made. However, Ministers will also know that it is not sufficient to restore calm for a night or a week. Our cities cannot afford for these problems to simmer and bubble, and then to spill over again in a week or month, or when the next big public event takes place. We need a clear strategy for tackling this violence throughout the summer and beyond. That is the task for Parliament now: not just to condemn, but to debate the action that must be taken.

That means, first, support for strong action through the police and the courts, and considering the powers that the police and the courts have. More than 1,500 people have been arrested so far, and that is rising all the time. Those who committed criminal acts must face the full force of the law. The Home Secretary was right to show her support for robust police action as well. I welcome the all-night sittings of the London courts to ensure that charges can be swiftly brought. I welcome too the use of CCTV, which has played a powerful role in identifying the culprits, and the use of dispersal orders and other powers to intervene fast, rather than waiting for disorder to take hold. We also support looking further at the issues of face coverings and curfews.

However, those now in government have in the past criticised the use and the existence of many of the powers concerned, previously voting against many measures on face coverings and now, in the Protection of Freedoms Bill, making things harder for the police, including on CCTV. I particularly ask the Home Secretary to look again at her proposals to introduce considerable additional layers of new bureaucracy for the police and councils who want to introduce CCTV. I hope that she will think

[Yvette Cooper]

again. As she does so, she may also want to consider looking again at plans to ban antisocial behaviour orders.

Mr Burrowes: I am grateful to the right hon. Lady for giving way. I wanted to intervene when she was being particularly measured in her response, which I welcome. Will she dissociate herself from the ill-judged comments by the former London Mayor, who sought to put the blame for what happened on the streets of London on Government actions?

Yvette Cooper: No, that is not what Ken Livingstone was saying. He has been very clear that those who have committed criminal acts need to take responsibility and to feel the full force of the law.

Let me add a word of caution to the Government briefing on water cannon and baton rounds. The perception in the newspapers has been that it was only the Prime Minister's intervention that has made possible the use of water cannon and baton rounds, and the Home Secretary seemed to suggest something similar in her statement today. However, it is important to be clear that the police already had the power to use baton rounds or to ask police in Northern Ireland for the use of their water cannon. That is an operational matter for the police, not a political judgment for Ministers. The Home Secretary will know that the ACPO head, one of the few chief constables to have used water cannon, has made it clear today that those options are open to senior officers but would not have been useful in the particular circumstances that the police faced.

The Home Secretary has rightly backed the police when they need to be able take robust action, but I hope that she will also—as part of that backing—affirm that the police are able to make independent operational decisions based on the individual circumstances that they face and that politicians are not trying to direct the police on issues as important as the use of water cannons and baton rounds. Fundamental to the rule of law that we are now working so hard to sustain is the principle of an impartial, professional police service, involving policing by consent, and that must be preserved.

I would also caution against any consideration of the use of the Army to play a policing role. If we have enough police, we do not need the troops. They have their own important job to do.

Dr Andrew Murrison (South West Wiltshire) (Con): Does the right hon. Lady not agree that while of course the police have discretion to use water cannon and baton rounds, it is very important for our political leaders to articulate their support? We must not fall into the trap that her Government did when Ministers in the Ministry of Defence failed to give backing to troops doing very difficult jobs in very difficult circumstances. It is important that Ministers back the actions of our police.

Yvette Cooper: I simply disagree that when we were in government we failed to back our troops in difficult situations. We were very clear always to back the troops in the very difficult job that they did.

It is right to back the police and be very clear that we will support them when they have to take very difficult and robust decisions, but some of the briefings to the newspapers suggested that the police did not have the powers to use water cannon or baton rounds, and that they had them only because the Prime Minister had stepped in to authorise them and to encourage their use. This issue needs to be carefully handled. The police have always had those powers and it is right that they should use them in operational situations where that is appropriate and they judge that they are needed. We should back them in such circumstances, but I caution that we should be clear that it is an operational judgment for those police officers, not a matter of direction by politicians.

Steve McCabe (Birmingham, Selly Oak) (Lab): I agree with my right hon. Friend. If these horrendous events were to occur in the era of police and crime commissioners, is she confident that chief constables would have the power to make such decisions should a baying public demand different action from the commissioners? Would chief constables be able to withstand that pressure?

Yvette Cooper: Senior police officers whom I have spoken to are concerned about the possibility that their activities will be constrained or inhibited by inappropriate intervention by American-style police and crime commissioners in operational decisions. It is important to note that the operational independence guidance has not yet been agreed between the police and the Government.

Tony Lloyd (Manchester Central) (Lab): The Prime Minister rightly made great play of the ability of the Metropolitan police and, for example, the Greater Manchester police to draw on officers from other forces, but it is not clear to me whether it would still be possible to move police around the country following the introduction of political commissioners. The pressures against it would be enormous.

Yvette Cooper: The Met's ability to put 16,000 police officers on the streets of London depended partly on mutual aid. It depended on the ability to draw on officers from other parts of the country, which is a hugely important principle. It is part of our policing model, and it has been effective. However, as my hon. Friend says, we should consider whether a chief constable and a police and crime commissioner campaigning to be re-elected by the local community will put local policing before their obligations to neighbouring areas that may face greater pressures. That is another major concern that has been raised with me.

This issue raises serious questions about resources that need to be addressed. Like the Prime Minister and the Home Secretary, I have asked police representatives whether they need more powers to do their job in the present circumstances. One senior officer put it very bluntly: he said that the problem in the early stages had been not a lack of powers, but a lack of cops. As the Home Secretary has confirmed, there were not enough police officers on the streets when the violence started. No one anticipated the scale of the violence that our cities would face. In some instances, the police did not step in to make arrests because they did not have enough officers out there to do so while also containing the public order problems that confronted them.

Last night, again, the Met put 16,000 officers on the streets. That is more than five times the normal likely strength in the capital, and it worked, but it came at a cost. Thousands of officers from other areas must be paid for, as must the cancelling of leave. The last couple of nights have probably cost the Met alone millions of pounds, and we need some clarity about the Government's position. The Prime Minister said that, under Victorian legislation, the costs of riot compensation would be borne not by police budgets but by the Treasury reserve, and I welcome that announcement. However, the Prime Minister also appeared to say, in answer to a question asked by Members, that the Treasury would stand behind all the extra operational policing costs as well. I hope that that is correct, because the Home Secretary seemed to say something very different. She appeared to suggest that the pressure would sit on the reserves of the police authorities and forces involved.

I shall be happy to give way if the Home Secretary wishes to clarify the disparity between her comments and those of the Prime Minister. I hope she will agree that the costs of policing unprecedented riots and criminality must not necessitate cuts in the very neighbourhood and community police whom we need in order to prevent further criminal action.

Christopher Pincher (Tamworth) (Con): Will the right hon. Lady give way?

Yvette Cooper: First I want to give the Home Secretary an opportunity to clarify the position in relation to the immediate additional operational costs that the Met and other forces will incur. *[Interruption.]* The Home Secretary says, from a sedentary position, that she has already clarified that. The Prime Minister may need to correct the record, because he certainly gave me the impression, and I think he gave many other Members the impression, that the Treasury would stand behind any of the additional operational costs faced by the Met and other police forces as a result of this unprecedented criminal activity. Those costs could well be considerable, because we do not know how long the police activity will need to continue. Will it continue through the weekend or into next week, and how will it be paid for? Will it have to be paid for by police budgets which are already extremely stretched and already under pressure? Will normal, routine policing be overstretched as a result of the Government's decision not to fund these extra, additional and exceptional costs?

Keith Vaz: The Prime Minister was answering a question that I had put to him, and I was very clear that what was meant was if a police authority dipped into the contingency, the additional costs would be reimbursed to it. I think that what the Home Secretary just said in answer to me was that an authority would have to make an application for that, but she tended to support what the Prime Minister said. That was my understanding; is it also my right hon. Friend's understanding?

Yvette Cooper: The Home Secretary will be immensely grateful to my right hon. Friend the Chair of the Select Committee on Home Affairs for desperately trying to create some consistency between what the Prime Minister and the Home Secretary have said. I will certainly give the Home Secretary the opportunity to confirm whether my right hon. Friend is correct and in what circumstances the police forces will be able to get additional help, because I am afraid she has not clarified that. I am sure my right hon. Friend would make an excellent Home Secretary, but I think the current Home Secretary may need to answer his questions, and mine as well. I still await the Home Secretary's answer, but she remains silent.

Christopher Pincher *rose—*

Yvette Cooper: I shall give way to the hon. Gentleman on the Government Back Benches, to see whether he can provide clarity where the Home Secretary still refuses to do so.

Christopher Pincher: The right hon. Lady asks the Home Secretary to clarify a point, but may I ask her to clarify a point about her earlier comments on Ken Livingstone? On the BBC, Mr Livingstone said that the Government's policies were creating social division, bringing conflict between the communities and the police. Does she support that point of view, or will she condemn it?

Yvette Cooper: Ken Livingstone was very clear about the need for people to take responsibility for their actions and for those involved in recent events to be punished. He was very clear about there being no excuse.

I have to say to the Home Secretary that we still do not have an answer. In the discussions I have had with the Met police, they have expressed concern that the additional cost of the extra policing required as a result of this criminality will come not from the Treasury reserve, but from their own reserve. Like the reserves of many police authorities across the country, the Met reserve is extremely stretched as a result of the police cuts. If this situation continues over many days, I am deeply concerned that the Met may end up having either to reduce the level of policing on the streets before it is ready to do so or to make cuts elsewhere in its budgets on routine policing. The Home Secretary has still not given any answer as to what she would do to support the Met police and other police forces. She really does need to think again on this and provide more information to the House, and to police forces and communities across the country about what support they will get.

Stephen Phillips (Sleaford and North Hykeham) (Con): I must, I am afraid, take the right hon. Lady back to what other members of her party have said, and seek clarity on that. The hon. Member for Derby North (Chris Williamson) tweeted that

> "the Tories are back alright. Why is it the Tories never take responsibility for the consequences of their party's disastrous policies",

with the hash tag "tottenham", but the hon. Member for Hackney North and Stoke Newington (Ms Abbott) has said:

> "Cuts don't turn you into a thief."

Which of them does the right hon. Lady agree with?

Yvette Cooper: I noticed the hon. Gentleman's nerves when holding his piece of paper to read out what was clearly another Whips' question, but I say to hon. Members that serious issues need to be addressed in this House about what the Government are doing, and what this House should be doing, to address the serious criminality that is taking place.

[Yvette Cooper]

Let us deal with the wider problems this raises about resources for our police and the views that are being expressed to us—and, I am sure, to Members on the Government Benches in their constituencies—about the scale and pace of the policing cuts across the country. The Prime Minister claimed that he was making only 6% cuts, but he used cash figures, not real figures, when he knows that inflation is high and that the cuts set out in the spending review—according to the Treasury's figures, not mine—were for a 20% cut in the Government's police budget. The independent Her Majesty's inspectorate of constabulary report makes it clear that 16,000 police officers are going as a result—the equivalent of every one of the police officers on London's streets last night will go.

Any of us who were on London's streets last night will know quite how many police officers were on the streets of our capital. We have heard the Prime Minister and the Home Secretary tell us that front-line, visible policing will not be hit, but, with respect, it is being hit already. The HMIC has confirmed that front-line officers will be lost this year. The Prime Minister himself used a figure of 7,000 officers in back-office jobs, but 16,000 will be cut.

We agree that the police need to make savings and efficiencies, that they need to do more to get police officers out on to the streets and that they can sustain sensible reductions in their budgets, but the cuts set out by the Government go too far, too fast, and we do not agree that now is the time to cut 16,000 police officers across the country.

Miss McIntosh *rose—*

Yvette Cooper: I will give way to the hon. Lady, if she can tell me whether she supports cutting 16,000 police officers at a time such as this.

Miss McIntosh: I think the right hon. Lady would agree that recent events have united those of us living in the north and the south and in rural and urban areas. May I take her back to the time of the previous Government, who introduced a raft of community support officers with no power of arrest and had a load of police officers with the power of arrest filling in forms? Does she think that that was the best use of police resources at that time?

Yvette Cooper: I think it was right to increase the number of police officers and to introduce police community support officers. PCSOs have done an excellent job across the country, working with police officers and communities, and have been an important part of addressing some of the tensions, concerns and difficulties that we have faced in the past few days.

Today, the Prime Minister again ruled out reopening the police budget. I implore him to think again. The newspapers report that Ministers now have doubts, and I urge him to listen to them.

Mrs May: The right hon. Lady is making much of a point about police cuts that was made by a number of her right hon. and hon. Friends during questions to the Prime Minister. Will she clarify for us the Opposition's policy on police cuts? Do the Opposition still support police cuts of 12%, or do they want a review of or a moratorium on that? Will she guarantee police numbers, or will she not?

Yvette Cooper: The Home Secretary will know, because we have had this debate in the House many times, that we believe it is important to give the police enough resources to sustain the number of police officers. We maintain that position now.

The HMIC gave its view that the police could sustain a reduction of about 12% in their budget over the course of the Parliament. The former Home Secretary, my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), also said that his assessment when he was in office was that 12% could be sustained over the course of the Parliament and that that would allow the police to sustain the police numbers that we believe are so important. Instead, the Government are cutting by 20% and the steepest cuts are in the first two years. They are cutting more in the first few years than we would have done over the course of a Parliament. That is why the police, despite making immense efficiencies and taking immense actions to deliver savings, are finding that the number of police officers is being cut. That includes some of the most experienced police officers in the country, who are being forced to take early retirement against their wishes—officers whom we need and whose experience and contributions we need now.

Several hon. Members *rose—*

Yvette Cooper: I ask the hon. Members who are standing in a frenzy to listen. If they will not listen to the members of their Government who are clearly starting to have doubts, or to Opposition Members who have been saying for many months how dangerous it is to make such large cuts in the policing budget, will they at least listen to their constituents, who are deeply concerned about the decisions that they are taking and the scale of the policing cuts that the Government have announced? The public know that more officers on the streets of the capital have made them safer, and they do not want those cuts now. The Liberal Democrats have raised an interesting point: if the Government called a halt to American-style police and crime commissioners, that alone would save £100 million that could go back into policing and restoring confidence.

Dr Julian Huppert (Cambridge) (LD): Given the right hon. Lady's great concern about the number of police officers, will she join me in congratulating Cambridgeshire constabulary? The chief constable has committed to ensuring that he has more police constables at the end of this Parliament than at the beginning, and he is already recruiting. Will she congratulate the constabulary on that, as well as on its performance over the last few days?

Yvette Cooper: The HMIC's independent assessment of Cambridgeshire's position is that it will lose around 80 officers over the course of the Parliament and the spending review. It will need to have a discussion with the HMIC, which has carried out a detailed assessment, not simply of what will happen in the first two years, but of the consequences over the course of the Parliament.

Several hon. Members *rose—*

Yvette Cooper: I need to make progress, because hon. Members all want to make serious points. This is a time for us to have a debate about the events of the past few days, and I want to give Members across the House the opportunity to speak.

We need to look at the wider action that is essential for maintaining order, and to see why so many people became involved in rioting and criminal action. Boots on the streets are not enough to sustain safe communities for the long term; that requires all of us to do our bit to stand up for law and order. It requires parents to ask where their children are, and where that new pair of trainers has come from. It requires teachers, neighbours, classmates, friends and family, social workers, youth workers and the neighbourhood police—each one of us—to ask what we can do to stop people getting caught up in gangs or frenzies of criminal activity.

We should ask why some people had so little respect for the rule of law and for others in society, and why some people felt that they had nothing to lose by breaking the law. We should look at respect, responsibility and aspirations, but asking those questions is not about excusing individuals—quite the reverse. Nothing excuses the way people behaved. It is not about avoiding justice or appropriate punishment; those engaged in criminal acts must take personal responsibility for them, and they must feel the full force of the law. It is about preventing further crime and disorder. We will have that debate in more detail in future. I would caution against over-simplistic approaches. I agree that more should be done on parenting, but that will be harder if family intervention projects and Sure Start are cut. I agree that more needs to be done about gang culture, which has been getting worse.

Mrs Madeleine Moon (Bridgend) (Lab): South Wales, and Wales as a whole, has been fortunate in experiencing no rioting. In fact, the devolved Administrations collectively did not have the experience that England had. Does my right hon. Friend agree that it is most important to look at why forces in Wales, Scotland and Northern Ireland successfully held their communities together and have, in partnership with their communities, avoided the riots that England has had, despite south Wales facing £47 million of cuts over this Parliament?

Yvette Cooper: My hon. Friend makes an important point about why some areas fell victim to looting and criminality on such a scale, and others did not. A series of important questions needs to be properly addressed. The Home Secretary raised some of them—for example, the speed and nature of the police response, and the role of social media. That is why we Labour Members believe that there is a case for a special commission of inquiry that can ask the questions that a Select Committee might not be able to ask because of its departmental remit. That needs to be properly done to give those communities that have been most affected a stronger voice in this debate about what has happened and what needs to happen now.

I welcome what the Home Secretary has announced about action on gang culture. London Members have been warning for some time about the problems that it is creating and the fact that it has been increasing. Most recently, my hon. Friend the Member for Westminster North (Ms Buck) did so in her Adjournment debate, and the Home Secretary will know that other Members have done so, too. The Home Secretary needs to move fast on this. In June 2010—14 months ago—an independent report by the independent inspectors commissioned by the Youth Justice Board on the rise of gang culture was published. It said that a national strategy to deal with gang culture among under-18s was urgently needed. It set out specific measures for the police, the prisons and others. That was 14 months ago.

In March, my hon. Friend the Member for Gedling (Vernon Coaker) asked for the Government's response, but the record in *Hansard* shows that the Government were still considering how to respond. Clearly, it is a concern that there have been delays in responding to the report, but we have the recommendations available now. I urge the Home Secretary to implement them urgently and to use them as the basis for further work that I hope we can support. I hope that action on gang culture is something that we can agree on across the House. Indeed, I believe that there is much that we can agree on, including action in the criminal justice system and support for the police.

There are still four areas in which we ask the Government to think again. The first is setting up a proper commission of inquiry to look at the wider problems and why the riots happened. Secondly, they must look at the immediate resource pressures faced by the Met and other forces as a result of policing the rioting and criminal activity. Thirdly, there is the wider issue of resources and the serious need to reopen the policing spending review. Fourthly, they should make it easier, not harder, for the police and councils to use CCTV, which has been so important.

I began by saying that these are sober circumstances. We have seen awful events. But we cannot just despair that nothing is to be done, and we must not. When street crime became a serious problem 10 years ago, we seemed to face an epidemic. Action was taken by the Government and police. Prevention work was done and work was undertaken through the courts. It made a difference, and street crime came down. It is possible to tackle criminality, to work together to bring crime down. That is what must happen. We have seen crime fall; we must do so again.

People I spoke to after the rioting and the violence told me not that they are ashamed of their country but that they are still proud of our communities, our towns and our cities. The shop owners to whom I spoke had posters in their windows saying "I love Sandwell". People want to stand together to support their communities and to stand against this awful violence and crime. We now in this House must stand together with them to do so.

The Leader of the House of Commons (Sir George Young): On a point of order, Mr Speaker. In view of the level of interest in our debate, and after discussion through the usual channels, it is my intention at 6 o'clock not to move the Business of the House motion in the name of the Prime Minister, which would have terminated our proceedings at 7. It is my intention to move an alternative motion to enable us to continue until 8 o'clock to enable another 12 Members to take part in this debate.

Mr Speaker: The Leader of the House has just warmed the cockles of my heart. I am absolutely delighted to hear what he has just said, and I hope that it will be well received on both sides of the House. I thank him. I remind the House that there is a five-minute limit on Back-Bench contributions, but that is subject to review, and it is likely to be reviewed downwards, not upwards.

4.59 pm

Gavin Barwell (Croydon Central) (Con): I have the great honour of representing the town where I have lived all my life. Thousands of public servants, businessmen and people who work in the community and voluntary sector day by day do their best to make our town a better place to live. On Monday night a few hundred people did their worst to undo all that good work to attack our community. Shops and people's homes above the shops were burned out in old town, west Croydon and New Addington, including Reeves, an iconic family business that survived the great depression and the blitz. More than 50 people were forced from their homes. More than 200 businesses were devastated and our tram system was put out of action. Let us be clear: there is no justification whatever for such organised criminality.

Contrary to some reports, those responsible were not all young and they came from a wide range of ethnic backgrounds. They represent only a tiny minority. The real Croydon is the public servants: the outnumbered police officers and the firemen who risked serious injury to protect people; the council officers who the next morning tried to house the homeless; the hundreds of people who turned out to clear up our streets; the people who have pledged money to help businesses rebuild; the businesses that provided clothing for those who lost everything in the fires; and the people of New Addington who turned out to defend their shopping centre. Our town is not perfect, but we are proud of it and we are united in our determination that we will not let the wreckers win.

What has happened over the past few days is a big test for the Government. For too long in this country we have been too soft on those who break the law and too tolerant of those who have no respect for other people. My constituents are looking for four things. The first is to restore order. The Prime Minister came to Croydon on Tuesday and I am deeply grateful. He promised extra police and different tactics and he delivered on that, but those numbers and those tactics need to continue and we need to know why they were not in place on Monday. I also welcome what he said in the House about fresh powers on curfews and on modern social network technology and on powers for the police in relation to people who cover their faces.

Secondly, people want criminals brought to justice. CCTV played a crucial role in identifying who was responsible and I hope that Members on the Treasury Bench will take note of that. People want those responsible to be properly punished and to make reparation to those they have damaged. They want those who have committed these crimes not to have access to taxpayers' money in the form of benefits. They want those who are council tenants evicted, so that decent people on the waiting list get a home instead. They want those who are not British citizens removed from this country.

The third thing relates to compensation, and I warmly welcome what the Prime Minister had to say about compensation for residents and businesses. The fourth thing is trying to sort out the underlying issues that led to the behaviour we saw. Just because there is absolutely no excuse for what happened does not mean that we in the House should not try to understand.

Karl Turner (Kingston upon Hull East) (Lab): The hon. Gentleman is making a powerful speech on behalf of his constituents. Does he agree that the deployment of 16,000 officers in the capital meant that yobs were off the street, and that the Government's proposed plans to cut police numbers mean that yobbos will be on our streets?

Gavin Barwell: I want the level of visible policing to continue. I recognise that we have to cut police budgets because of the economic position we face, but I want the current level of visible policing to continue.

Mrs Moon: Will the hon. Gentleman give way?

Gavin Barwell: No, I cannot give way because other people want to speak.

I do not pretend to have all the answers to the long-term problems. On Tuesday night, I had to go home and explain to my eight-year-old son why people behave in this way. It seems that the choice being offered is that this is about either morality or poverty, but elements of both are involved. There is an issue about upbringing. Too many young people in my town are brought up in highly unstable environments, without parental role models. Many parents feel they no longer have the power to discipline their children, and there are clear issues about discipline in schools, which the Secretary of State for Education is trying to sort out. Too many young people have no respect for other people or authority. They are very conscious of their rights but not of their responsibilities to others. Sadly, in this great city of ours there are people who are marginalised and who feel that they do not have access to the huge opportunities that many Londoners enjoy. We need to address all those issues, however uncomfortable they are for those of us on the centre right or centre left of politics.

It is no coincidence that these events took place in the summer holidays. We need to make sure that people have something productive to do when they are not at school or when they are out of work.

Sir Paul Beresford (Mole Valley) (Con): As my hon. Friend will recall, I have a faint connection with Croydon Central.

My hon. Friend's second and fourth points are united. One of the problems is the feral children aspect. It is all very well to talk about parenting, but they have no parents of any value, and conviction would not keep them away from crime.

Gavin Barwell: I entirely agree with my hon. Friend. There is a great charity in Croydon called Lives Not Knives that tries to help people out of gang culture. Many of the former gang members whom I meet have come from backgrounds with no parental role models. Unaccompanied asylum-seeking children have been passed from foster home to foster home, and people have been abused while in care. That is absolutely an issue. I am not sure whether the hon. Member for Nottingham North (Mr Allen) is in the House, but we must consider

intervening earlier when young people first show signs of getting into difficulty, rather than waiting until there are real problems.

My real hope is that something positive will come out of what has happened over the past few days and that we will see in this country not just measures for a few days to restore public order, but a completely fresh approach to how we tackle crime, how we treat our young people, how we interact with them, how we bring them up, how we listen to what they have to say and how we try to build a stronger, more cohesive society in this country.

My constituents sent me a clear message before I came to the House today. They are not looking for party political bickering, squabbling or point scoring; they are looking for Members to show some leadership, to look into the underlying problems, to restore order and to find a long-term solution. I hope that all Members will focus on exactly that point as we go forward in the debate.

5.6 pm

Mr David Lammy (Tottenham) (Lab): The events of last week started with the death of Mark Duggan, one of my constituents, during a police operation. In the immediate aftermath of the incident, there were reports of an exchange of fire between Mr Duggan and the police. We now know that two shots were fired and that they both came from police weapons. A grieving family and my constituents deserve to know the truth about what happened that night. The IPCC investigation must be thorough; it must be open; and it must be seen to be independent.

Other serious questions need answering. Why did the Duggan family first hear about the death of their son not from a police officer, but when the news was broadcast on national television? Why, when they arrived at Tottenham police station to ask questions and to stage a peaceful protest, were they made to wait for five hours before a senior police officer was made available to them? Why, when that peaceful protest was hijacked by violent elements, were a few skirmishes allowed to become a full-scale riot, with far-reaching consequences? Mistakes have been made by the Metropolitan police, and this must be subject to a full public inquiry.

Bob Stewart (Beckenham) (Con): Will the right hon. Gentleman give way?

Mr Lammy: I will not give way; forgive me.

On Sunday morning, I stood amid the burning embers of Tottenham High road. There is no connection between the death of a young man and the torching of the homes of Stuart Radose and 25 other families in the Carpetright building. There is no connection between the treatment of the Duggan family and Niche, the landlord of the Spirit of Tottenham, being held at knifepoint while his pub was ransacked. I could go on. This violence was criminal, and we condemn it utterly.

Tottenham has brave and very resilient people—I have no doubt that we will get through this together—but as the TV cameras begin to move out, I urge the Government and the House not to forget the people of Tottenham. In the House and beyond, we must also begin a much more difficult discussion: we must address why boys and girls aged as young as 11 engage in the kind of violent and destructive behaviour witnessed this week, and as we do so, I urge hon. Members on both sides to avoid reaching for easy slogans and solutions.

These riots cannot be explained away simply by poverty or cuts to public services. The fact that the vast majority of young men from poor areas did not take part in the violence is proof of that. Many young men showed restraint and respect for others, because they have grown up with social boundaries and a moral code. They have been taught how to delay gratification and to empathise with others rather than terrorise them. Those values were shaped by parents, teachers and our neighbours.

Andrew Selous (South West Bedfordshire) (Con): The right hon. Gentleman and I are both members of the all-party group on fatherhood. Does he agree that we can do more to encourage fathers to be committed to the mothers of their children and to their children?

Mr Lammy: I certainly agree that that is the major issue this country must confront, but a "Grand Theft Auto" culture that glamorises violence must also be confronted; a consumer culture fixated on brands that we wear rather than on who we are and what we achieve must be confronted; a gang culture with warped notions of loyalty, respect and honour must also be confronted. A civilised society should be policed not just by uniformed officers, but by notions of pride and shame and of responsibility towards others. In this House and beyond, we have some deep thinking to do about what that means.

Although that is true, there is another side to the story. On Tuesday, the Prime Minister warned that those involved in the rioting were risking their own futures. I am afraid the problem is far greater than that. Those lashing out—randomly, cruelly and violently—feel that they have nothing to lose. They do not feel bound by the moral code that the rest of society adheres to; they do not feel part of the rest of society. We cannot live in a society where the banks are too big to fail, but whole neighbourhoods are allowed to sink without trace. The problems of those neighbourhoods have not emerged overnight, but the events of the past week are a wake-up call.

Following the race riots 10 years ago, the Cantle report warned of white and black communities living "parallel lives". Today the same is true, but the polarisation is not between black and white; it is between those who have a stake in society and those who do not; those who can see a future through education and those who cannot; those who can imagine doing a job that is respected and well paid and those who cannot; those who might one day own their own home and those who will not.

I repeat that nothing justifies what we have seen this week, but I remember what it means to grow up poor, to live without a father as a role model, to feel frustrated and angry about my circumstances, to want to lash out and to consider the idea of picking up a bottle and joining in with the crowd. I was steered away from those things by my mother, by an elder brother, by my pastor, by great teachers, role models and youth workers, and I thank them all for that, but I was also steered away by the promise of something different—by the idea that, one day, I might go to university and get a decent job. That idea is what we have to realise for so many people in the coming weeks, months and years.

5.12 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): The events in south London follow what the right hon. Member for Tottenham (Mr Lammy) has so clearly described. In Walworth and Peckham, on the Old Kent road, in Rotherhithe and in many of our other communities, we saw on Tuesday night scenes that none of us can ever have expected to see. There was some absolutely despicable behaviour—people being pulled off their motorbikes and scooters, and women driving alone whose car windows were smashed and whose car, with them inside, was raided for its contents. In the evening, we saw parents with their children—women with their youngsters—going in with the younger people to take things out of shops on the Walworth road. People were crying on the street because they had just been promised a job in a shop that was being broken up and might not be able to carry on in business.

Jake Berry (Rossendale and Darwen) (Con): Unlike so many other subjects that the House debates, the aberration of these events links north and south. In my constituency, in Bacup, there was a riot by disaffected young people. Does my right hon. Friend agree with me that it is time for the police to take off the kid gloves, to use the full force of the law and, where possible, to prosecute and imprison those who have engaged in such disgraceful behaviour in both the north and south of this country?

Simon Hughes: That is a clear view shared across the House. We have a common message that the law must be applied fully and without reservation, but I qualify that in one respect: it is even more important that those who are the role models—the adults, the parents and the serial criminals—are caught and dealt with without compromise. The 10-year-old, the nine-year-old, the eight-year-old, the follower, the person who got on their BlackBerry the message saying, "Come down here, it's kicking off down here"—yes, of course, if they give in, they are to blame, as are their parents for not knowing where their children are going at 6, 7, 8, 9 or 10 o'clock at night. But the older youngsters, and the ones who are over 16, 17, 18 or 21, particularly need to be seen in our courts and dealt with.

Public opinion is clear that these disturbances were not caused by this Government or the previous Government, or by the capitalist system. Public opinion is clear that they were simply criminal activity. The borough commander in Southwark made it clear that when people who have been nicked and are now being questioned in Southwark were asked why they had committed the offences, they did not put up some political argument for their action. They were clear that it was for the trainers, the televisions, the kit in the windows. They were clear that this was criminality.

It is also clear that over the past few days there were very few house burglaries in Southwark. The people who were normally doing the burglaries were out on the street kicking in the windows. I am grateful that the Home Secretary and the Prime Minister have accepted that the serious serial criminals, often the gang members, had a truce—between the gangs—over the past few days. That was recorded and it can be seen. They decided not to fight each other, but to go in and take on the community. Some people joined them who should know better—some professionals, some people from outside; the teaching assistant, the graduate—but the serious contributors to trouble in our communities, who are no good at all, are the people on whom we need to focus. Every one of the 32 borough commanders in London will say that there are about 30, 40 or 50 people who lead the local gangs and whose pictures are in the back of the police stations, and we need to concentrate on them.

When MPs break the law and fiddle their expenses, or when police officers receive money from journalists, we have to understand that there are other questions out there and that greed applies across the board, but those were not the presenting issues last week. I want to set out where we need to go now. Above all, we need to support the businesses. Our high streets need to be back to work. We need to shop in our high streets, support the small traders and make sure they have the necessary national support.

People want to give, and there ought to be systems whereby they can contribute to the statutory funds. If we have Disasters Emergency Committee appeals for east Africa, we can have an appeal, if people want to give, for north London, south London, Liverpool, Birmingham or Manchester too. Additional help may be needed for local councils and the local police holding the additional people in custody. There must be a willingness to report the culprits and, as we heard earlier, the media must hand over the information that they have. It is no good standing there and recording it, and not offering the information that would allow people to be dealt with.

We need to make sure that we tackle the causes of continuing violence. As was rightly pointed out in an intervention, two thirds of those who offend come from families where there has been a history of offending. It is generational and we need to recognise those dysfunctional families where the activity is repeated. The right hon. Member for Tottenham has often made the case that we need to recognise families where youngsters are taken out of school and out of the family early, because they become the ones most at risk. We need to support the parents, because some of them find it very difficult indeed. We need to make sure that our housing strategies and our youth services are supported, and that the mobile phone industry helps. We can recover soon, but we have to stand together and support our communities in doing so.

5.19 pm

Shabana Mahmood (Birmingham, Ladywood) (Lab): I am grateful for the opportunity to contribute to the debate, and to put before the House the experiences and the views of my constituents on what they have suffered over the past few days. When the problems started in my constituency on Monday night, we saw copycat criminality, mindless vandalism and looting. This behaviour appalled and sickened everyone in my constituency and Birmingham as a whole, and on Tuesday morning residents and traders woke up to unprecedented damage and destruction, and a resolve to work together to clean up the affected areas and make our city fit for business again. However, throughout Tuesday tensions were running high, and people came out in the evening on Dudley road and Soho road, and in other parts of my constituency, to protect their local businesses and to prevent any further damage.

In the early hours of Wednesday morning, events took a tragic turn as three of my constituents, Shazad Ali, Abdul Musavir and Haroon Jahan, from the Winson Green area, were murdered while protecting businesses and property on the Dudley road in a hit-and-run incident. Scores of people were present at the scene and many others arrived in the immediate aftermath. The men were taken to City hospital, where a further crowd gathered, concerned and devastated at what had happened.

Winson Green is an incredibly tight-knit community in the heart of Birmingham. The local community do not just consider themselves to be each other's neighbours and friends, but rather they consider themselves family. Everyone is an aunt or an uncle, a brother or a sister. It is the best feature of this community, which faces significant daily challenges. Understandably, given the loss of three of their own, people were distraught and emotions and passions were running high.

I was involved in many meetings yesterday, which brought together community leaders, elders, inter-faith groups and the police. All were keen to express their anger, anguish and upset at the events, and sought to talk about what had happened and how to prevent any further trouble. One of the most important and difficult meetings that took place yesterday was between the police and the local community. Many of those in attendance witnessed the horrific events of the night before, or were there for the aftermath. Concerns were raised at that meeting about the police presence, police response and police numbers, as well as the delay in getting ambulances to the scene, and other practical and operational issues.

It is important that once we have seen off the threat of further violence in the area these concerns are thoroughly reviewed and that the police work with the community to learn lessons from what happened and the response to it. Given the level of anger and the potential for further tension, it was important and significant that these concerns were raised with the police by the local community directly and at a grass-roots level, and this must continue to happen. It was also made clear that keeping the people of Winson Green updated on the murder investigation is of the utmost importance. We know that one man has been arrested and is being questioned by police in connection with the incident, and West Midlands police inform me that further arrests are possible.

I was also able to meet and talk to the families of the deceased yesterday. Words cannot describe what they are feeling right now, having lost young men in their prime. All three were well known to everyone and were much loved. I pay tribute to the families of all three men. They have behaved with dignity and calm in the face of truly tragic circumstances.

In particular, I pay tribute to Tariq Jahan, father of Haroon Jahan. We will all have seen him on our TV screens yesterday, facing the media and the public having just lost his son. His dignity, his composure and his heartfelt plea for calm were truly humbling for all of us working to prevent any further trouble in the area yesterday. Not only did he face the media, but he made his pleas directly to the community. He arrived on the scene of the public meeting that took place yesterday afternoon and addressed the crowd who had gathered outside because they were unable to get in due to the space constraints. Tensions were running very high. He again appealed for calm. He told the people gathered that he wanted the police to have the support that they needed in order to find the people who murdered his son. His interventions throughout the day yesterday were instrumental in maintaining calm overnight. He set the tone and the community followed. I am proud of everyone who last night prevented any trouble from occurring, who maintained a peaceful vigil that was dignified and ordered, and who heeded the words of Tariq Jahan and the families. I appeal to everyone in the community to continue this calm and responsible attitude over the coming days too. In particular, I reiterate the vital importance of working with the police to make sure that there is no further trouble.

I conclude by echoing the words of Tariq Jahan. Yesterday, addressing the crowds on Dudley road, he said:

> "I lost my son...Step forward if you want to lose your sons. Otherwise, calm down and go home".

I cannot put it any better than that, and I urge everyone to remember these words over the coming days and weeks.

5.24 pm

Angie Bray (Ealing Central and Acton) (Con): Ealing town centre was smashed up badly on Monday night and the damage was devastating and heart-breaking to see. It was also terrifying for those people who found themselves innocently caught up when the mayhem kicked off. A quiet suburb was literally turned into a war zone for one dreadful night. A 68-year-old man is lying critically ill in hospital after being attacked near Ealing Broadway for trying to stop some youths setting a litter bin on fire. Frankly, we are all still finding this hard to get our heads around.

However, since then the community has shown remarkable spirit in pulling together to reclaim the streets. A fantastic operation, organised by the council and enthusiastically supported by local residents, businesses and emergency services, had cleaned virtually the whole place up by lunchtime the next day, which was heart-warming. People were buying new brooms to join in. I spent all of Tuesday meeting many of those who had been caught up in the nightmare and was moved by their courage and determination to get on with their lives.

I have heard various accounts of what happened on the night, but there is a thread running through what most people have told me: they feel that they did not get the policing they needed. I understand their frustration, but it is important to say that this is not a debate about cuts in police numbers. In London, police numbers are actually going up and the borough commander in Ealing has told me that he is happy with his police numbers. The concern is about the deployment on the night. I must put on the record my admiration for the way the police were prepared to put themselves in harm's way in order to protect the public as best they could.

Heather Wheeler (South Derbyshire) (Con): I thank my hon. Friend for giving way and for being such a feisty champion for her constituents. Will she congratulate the 22 officers from Derbyshire police force who had been brought down to help the Metropolitan police? When they got the call at 2 o'clock in the morning, they packed their bags and came straight down.

Angie Bray: Yes, of course. The police have shown themselves to be really wonderful, particularly in being prepared to get together and help wherever there is trouble.

I also think that this country needs to have a debate about what policing it wants. As the Home Secretary said earlier, the police are often damned if they do and damned if they don't. Too often we hear criticism that on occasion they are too heavy-handed, and next they are accused of being too soft. It is up to the public, their elected representatives and the police to have a debate and decide exactly what policing we want. Policing in this country is performed by consent. The police need our consent if they are to go in and provide a slightly more robust response, which is the sort of response that I am happy to see and for which they would certainly have my consent.

Bob Stewart: One of the real problems is that the police are extremely concerned that if they act out of a defensive position and go forward while holding the crowd or watching for evidence, they might find themselves in the dock. We must support them utterly and completely and say that from now on when they act in good faith they will have our total support, unlike what happened after the G20 riots.

Angie Bray: I totally agree with my hon. Friend. They need our consent and the confidence to be able to go into any situation knowing that they have the authority to act of our behalf to do whatever is necessary to enforce the law, which is what they are there to do. In Ealing, we welcome the extra police officers we have had on the streets over the past few nights and the extra measures announced today by the Prime Minister and the Home Secretary.

The other big question everyone was asking is how parents can allow their young kids to be out on the streets after dark, knowing that there is trouble around and seeming not to care whether they get caught up in it. It is all very well demanding more of Government and more of the police, but we should also demand more responsibility from certain parents who just do not seem to care. So often it is their communities that take the hit, with businesses and shops shutting and jobs being lost.

What happened in Ealing at the hands of these feral young people, some of them only 11-years-old, contrasts so sharply with what I saw only a week ago, when I spent a morning with 60 16-year-olds who had just spent a week up north building a team together on an Outward Bound training course. Last week they were back in west London talking about how they would plan a fundraising campaign for local charities and organise some social projects for their local community. It was the first year of piloting for the new national citizens service summer programme. It was truly inspiring. Clearly, the more we can involve people in such programmes, the better our chance of keeping them off the streets and out of trouble.

Nowhere that has come under attack over the past few days ago has deserved it; Ealing certainly has not. It is a wonderful place to live and work, and it is already back in business, although a number of shops and small businesses will need all the help that they can get to get back on their feet. I very much welcome what we heard from the Prime Minister earlier about how we will help them to do just that, but we in Ealing want to know that, if trouble springs again, the police will be in a position to respond effectively and decisively with public support, and that those troublemakers who have brought such misery to our community will be brought to justice and given the punishment that they deserve, just as the Prime Minister confirmed to me this morning.

5.30 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): The Home Secretary, in her speech, said that the tide has turned. I wish that she was right, because the fact is that the rioting of the past few days has abated, partly due to excellent police action and partly due to the weather, but it could come back at any time and under any pretext, so we must prepare for that and prepare to change the context in which the rioting took place.

Of course, as the Prime Minister said, teachers have a role, but it is not their principal role; of course, parents have a fundamental role, but many of the young people who have behaved in such a dreadful manner over the past few days come from dysfunctional families, perhaps with single parents, perhaps with a mother or a father who is unable to help because of their own personal problems; and, of course, the police have their role, and in our city of Manchester we have outstandingly good police, for which we are grateful. But that is not enough.

In Manchester, this is not our first experience of urban rioting. Thirty years ago there was rioting in Toxteth in Liverpool as well as in Moss Side, adjacent to my constituency. At that time, Michael Heseltine was Secretary of State for the Environment, I was his shadow, and we discussed the issues. Michael Heseltine realised and understood that it was a question not only of criminality, but of urban and social regeneration. He went to Liverpool, lived there for three weeks and came back with plans for urban and social regeneration.

We condemn the people who have committed those crimes over the past few days, but, until the context in which their lives are lived is changed, condemning them will not stop them or others like them doing it again. To do so, we need—by the Government and by the rest of us—social reclamation projects that bring people into society in order to be part of society.

We in my constituency, for example, have a project called RECLAIM, in which young people from troubled homes and young people who have been offenders are mentored, made active, given jobs, given a voice and given a social conscience—and it works. I urge the Prime Minister, the Home Secretary and the Secretary of State for Education to come to Manchester and to look at RECLAIM to see how kids who have gone wrong or who might go wrong can be put on the right path, made useful members of society and gain control of their own decisions and destiny.

Dr Phillip Lee (Bracknell) (Con): I happened to be watching events the other night with my 87-year-old grandfather, who was born into abject poverty—seven living in a two-bedroom terrace cottage with an outside loo that was a hole in the garden. I turned to him and said, "Did you ever think of rioting? Did you ever think of stealing the latest gadget?" and he said, "No." Why is it that in the 1930s poverty was not an excuse for poor behaviour, but apparently in the 21st century it is?

Sir Gerald Kaufman: The hon. Gentleman just does not understand. The overwhelming majority of people living in poverty and deprivation and in dysfunctional homes will not commit crimes or turn antisocial, but some will. There is no point in pretending that because most will not, all will not.

We have to do something about this because our society is being damaged. I represent a deprived constituency where people are proud of the area in which they live. I want to make everybody who lives in my constituency, in our cities and in our country proud, but to do that we have to do the kind of things that RECLAIM is doing in Manchester. We have to ensure that people understand that they have a choice. Wanting to steal does not mean that one has to steal. Wanting some commercial object does not mean that one has to go out and take it under the guise of a social protest. We have to do these things because there is no point in simply having a blanket condemnation of young people who go wrong. Our job and our responsibility is not simply to punish them when they go wrong, but to try to ensure that they do not go wrong again and that others do not follow them. We must seize this moment. We have not got much time, but we can make this society work better.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. There are a lot of Members who want to speak and we want to call all of them, so I ask Members to do a little less intervening and to shorten their speeches. I will drop the limit to four minutes to give everybody a good chance of contributing.

5.37 pm

Mr Lee Scott (Ilford North) (Con): I start by paying tribute to my borough commander, Sue Williams, and her Metropolitan police team, who have done a wonderful job in difficult circumstances in the London borough of Redbridge. I also pay tribute to my local council in Redbridge, including the council leader, Councillor Keith Prince, the deputy leader and leader of the Liberal Democrat group, Councillor Ian Bond, and the leader of the opposition, Councillor Bob Littlewood of the Labour party. They have united, with no party politics whatever, to do what is best with the police force for Redbridge. That is a lesson that we should all learn for the sake of our constituents.

Over the past few days, I have visited the Co-op in Barkingside, the Tesco in Manford way in Hainault and the JD Sports in Newbury Park. I also visited a gentleman whose livelihood had been burned to the ground. He is a market trader and his van was set on fire with his stock in it. Those businesses have lost business, but more importantly the staff were scared. Each and every one of us in this House owes it to them to have a rational debate about how we will rectify and tackle the situation.

What I believe is important is that we take the handcuffs off our police. The wonderful police forces of our great country should be allowed to do what they think they need to do, whether the powers are given to them now or are already in place. If they think that water cannon are necessary, they should choose that. If they think that plastic bullets are necessary, they should choose that. Most importantly, each and every one of us in this House should give our great police forces the backing that they need. We should not be critical when it suits us and praise them when it suits us, but stand behind them the whole time. Will mistakes be made? Without any question, yes they will, but that is something that we have to deal with and cope with in a rational way when it happens.

I do not believe that it is my place to tell judges how to sentence people, but I do believe that when anyone is found guilty of crime, the clear message must be sent to others that crime does not pay. We are not talking about anybody other than thugs, criminals and looters. That is not to say that the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) was wrong to say that we should not disregard people—of course we should not do that. Equally, if someone has done something wrong, whatever their background—whether they are a millionaire's daughter or come from poverty—they must pay the price for that crime.

We must also consider several related issues. The other night—it was about 5 o'clock in the morning—I decided to go around my constituency to see what was happening. I visited the sports shop that had just, sadly, had its window smashed and its stock stolen, and I saw a group of youths. I do not know whether I was mad or possessed—some people would say probably both—but I stopped and asked them what they were doing. They were not doing anything wrong—it comes back to the point that not everyone is doing something wrong—but I gave them some advice, which, I am delighted to say, they took. I said, "Go home, because you're going to get nicked if you stay out. You won't do yourself, your parents or your community any favours. Go home now."

We were quite fortunate in Ilford North—we had violence and problems, but it was not as bad as in neighbouring Ilford South. My neighbour, the hon. Member for Ilford South (Mike Gapes) has gone to a community meeting today. We agreed that I would speak and that he would go to the meeting. I pay tribute to him for his work in Ilford South, where things were a lot worse, and where he made a difference. That is what we are all about in the House—making a difference. On this occasion, let us have no political point scoring. Let us all make a difference together for the sake of what is best for our constituents.

5.41 pm

Heidi Alexander (Lewisham East) (Lab): On Monday, my constituency was the scene of violent disorder. Cars and bins were set on fire, shops were looted and there were ugly clashes between police and rioters. The windows of my constituency office were smashed, the door was kicked in and computer equipment was stolen. However, compared with those who have lost their homes and businesses, I was one of the lucky ones.

I first learned of those events as I sat in a New York taxi, on my way to start my honeymoon. As I listened to voicemails—one from my alarm company and two from the police—I felt physically sick. Were my staff okay? Had people been hurt? What was going to happen next? As I spoke on the phone to Lewisham's police commander, I thought back to our conversations during my first year as an MP. They ranged from my concern about the popularity and accessibility of internet footage glorifying

[Heidi Alexander]

gangs and knives to his concern about the increasing number of 13 and 14-year-olds coming into contact with the police for the first time. I thought back to the television coverage of the protests in central London about cuts to the education maintenance allowance. They were largely peaceful, but stayed in my memory because of the frightening images of a minority—a small groups of teenagers, faces masked by hoods and scarves, looking for a fight.

Some argue that this week's riots are the direct product of Government cuts. I do not buy that; it is too simplistic. Yes, some youth centres have closed; yes, young people are angry about tuition fees, but the people out rioting on Monday are, by and large, not those who use our youth clubs, or, I suspect, those who are re-evaluating a university education because of increased tuition fees. No, the riots are primarily the result of disaffected, marginalised youths looking for a ruck. They are the result of mindless idiots who capitalised on an opportunity to nick some trainers or a plasma TV from Argos.

Although the catalyst for the riots in Tottenham may have been anger at the police, I suspect that the person who smashed my constituency office window did not even know who Mark Duggan was. I do not believe that Government cuts or a widespread failure in police-community relations are solely to blame for the riots. I think that they are as much about kids growing up in households where no one gives a damn about what they are up to. They are as much about the glorification of violence in our society as anything else.

Having said all that, we must ask ourselves how the climate of anger and aggression has built up among some sections of the population in our inner city. What role have Government—I include previous Governments—played in creating the climate or allowing it to take root? Youth unemployment in Lewisham is high. I have been stopped more than once on the street by young people who are really angry about the fact that they cannot find work. They are angry that the Government are making it harder for them financially to stay on at college. I am genuinely concerned that the Government, perhaps unintentionally, are writing off a generation of young people who are growing up in our inner cities. That is not to make an excuse for what has happened—there is no excuse. The riots were shameful and those involved deserve everything that is coming to them.

I have two final points. We have to ask tough questions of the police. Was their response firm enough and quick enough? Many of my constituents do not think that it was. Secondly, we have to be very wary of those who wish to portray this as a race issue. If anything, it is about poverty—economic poverty, but also poverty of respect and poverty of responsibility. But I say again: there are no excuses for what has happened this week. The violence that we saw on our streets is a stain on the fabric of our society. Although we might wash it out over the next few weeks, the real challenge is in preventing it from ever reappearing.

5.45 pm

Nick de Bois (Enfield North) (Con): May I use some valuable seconds and take this opportunity to enjoy a decent moment in this difficult debate, and say congratulations to the hon. Member for Lewisham East (Heidi Alexander) on her recent wedding and that I am very sorry that her honeymoon was interrupted?

I made a solemn promise to my constituents at half-past 9 on Sunday 7 August, having spent four hours witnessing what was happening to our constituency. That promise was simply that at the first opportunity I would come to this House so that Members could hear first hand what had happened and the views of my constituents. I will therefore focus entirely on that in the few minutes that I have to speak. It is important that those views are represented, because they are also reflected elsewhere.

At around 6 o'clock in the evening, as youths—generally under the age of 25—gathered in our town centre, it became clear that this had been built up by social media throughout the day. The first outbreak occurred at about 7 o'clock, when those youths—150 of them—took to the high street, having gathered together, and then started their rampage down Church street in Enfield town. Sadly, although that outbreak was contained relatively quickly by good police work, it led to the destruction of some very good shops that have been there for more than 30 years. Mantella, the jewellery store, which has been a sole trader for more than 30 years in Enfield, lost more than £40,000 of stock. Pearsons, one of the few independent retailers with a long legacy in Enfield, was damaged front and back. And what was stolen? It was the good quality leather handbags. With a clear target in mind, high-quality goods ware taken.

We lost many, many stores down our high street, but at that point it was not over. For about an hour, the youths increased their numbers. As I stood among them, I heard them on their phones organising to bring other people up and talking about what trains they should take. Indeed, some of them hinted at where they may be going next.

Nigel Adams (Selby and Ainsty) (Con): Is my hon. Friend aware that there were riots recently in a holiday resort in Spain where the police used very robust tactics? We have heard talk about water cannon, but they used rubber bullets. Does my hon. Friend think that if the people rampaging through his constituency had seen pictures on TV of rubber bullets or water cannon being used, they would have had the incentive to go out and commit copycat crimes?

Nick de Bois: My hon. Friend makes a good point. Indeed, he reflects the views of my constituents in advance of what I was going to say. Of course they were very distressed, and one of the questions—one of the wishes—was, "Why do we not use water cannon or rubber bullets? They have proved effective in other locations." I accept that they are limited in their effectiveness in some parts—indeed, around London it would be difficult—but this case was a classic example of a wide town centre where dispersal could have been achieved, which might have changed things. Indeed, I believe that the mere threat would also restrict any future activity.

Unfortunately, later in the evening, when the outburst grew more serious and the thugs attacked a police vehicle containing a territorial support group unit, they would disperse and run up nearby residential streets—quiet, detached streets. It was there, at around 9.30, that 30 or

40 of them ran past me, pushing a 70-year-old man out of the way. We were face to face with them in the garden of some neighbours, and as they ran past, with their foul-mouthed abuse—these brave individuals, hidden behind their hoodies across their faces, clutching their expensive mobile phones—they embarked on finding their rather souped-up cars, which were parked in the same residential street. This was no moral crusade. This was not a campaign for social justice; this was simply criminal activity by those determined to profit from it. My constituents are furious at what happened to their town, but what is worrying was the extreme arrogance of the individuals involved. They had no fear of being recognised and no sense of right and wrong. As a country we now have to address this issue, and we will look at how to deal with such issues in the future.

Mr Burrowes: My hon. Friend describes the high street that we share as constituency neighbours. On the subject of what we will do about it, he will go home on the tube with me and we will see the headlines about the fury at the soft sentences being handed down to the latest offenders. Does he share my concern that the punishment must fit the crime? If it is not to be prison, it must be proper restitution, paying for their plunder and repairing the damage that they have done to our communities.

Nick de Bois: My hon. Friend and neighbour, who suffered similar problems, identifies a key point. One of the other wishes of my constituents was that justice should be seen to be served. It is not unreasonable to expect that the thugs involved should receive custodial sentences and be put to good use in repairing some of the damage that they have done. We must take them out of this cycle of crime and make efforts to reform them.

I have three questions and I would be grateful for answers. The railway line ends at Enfield Town station. During the course of the day, the trains were packed with people coming to cause mayhem. A request was made to Transport for London to stop some of those trains, and the buses that were coming from other parts of London. It never happened, and my constituents would like to know why.

Secondly, we believe that the vast majority of these criminals were not from Enfield, as I saw first hand myself. If we share information from CCTV and YouTube with the education authorities and the police, they can work together to identify more of them. Thirdly, why were we not able to disperse the more than 100 people who were there in the early hours?

Let me pay tribute to the borough commander, Dave Tucker, and his team, and to Enfield council, who are now working together. Enfield is open for business. It has recovered well.

5.52 pm

Tony Lloyd (Manchester Central) (Lab): The hon. Member for Enfield North (Nick de Bois) rightly concluded by saying that Enfield is open for business. Manchester is also open for business. All the places hit by these riots must make the same claim. We must insist that life goes on and we sweep up the pieces. We must begin the difficult process of saying that we will not be defeated by the rioters.

The rioters in my city—probably some 400 people—are not representative of young people across Manchester, which has thousands and thousands of young people. That very limited number of criminals trashed the city of Manchester in a few short hours. The real comparison is with the bravery of the police, because individually and collectively the police took enormous risks on behalf of the public and we should pay tribute to them. The much-derided local government workers and public servants worked through the night to ensure that Manchester was fit for purpose the following morning. Volunteers came in from districts in and around Manchester to sweep the streets and help out. They should be the contrast to the very limited number of rioters. It is right that we seize the question of why these disastrous riots happened, because the reputation of our country and of my city has been seriously damaged, but we must point out that the rioters do not represent modern Britain. Moral panic is not the answer.

I hope that we will get answers from the Government on the question of compensation. It is not trivial. Police forces that face increased costs and citizens in the affected areas want to know whether adequate compensation will be provided to cover their costs, because there was ambiguity in what was said by the Home Secretary and the Prime Minister. I hope that the Minister can clear up that important issue later.

We need a wider inquiry into the whole question of how riots should be policed. This riot was different. There are no strong parallels with the 1981 riots that I remember: the causes and the structures are very different. Indeed, no real reason lies behind the current riots, apart from criminality. Nevertheless, we need to consider whether the policing of these events has lessons for the future.

I am not proposing a vindictive attempt to put the blame on the police. As I have said, they have been incredibly brave, and it ill behoves politicians to be armchair police officers. However, we must ensure that the tactics of policing are right and that we are aware of where we are taking our police; and that must include a review of numbers. The fact is that we are asking people in blue uniforms to stand up to thugs, and we must make certain that there are no gaps in those blue uniforms. I must say, not unkindly, to the Minister for Policing and Criminal Justice, the right hon. Member for Arundel and South Downs (Nick Herbert), that when I see him with a riot shield I shall be more convinced that we have got the answers right. We, as politicians, must be prepared to do what we ask of our serving police officers.

Let me make a final point in the few moments that remain to me. I believe that it ill behoves Members in all parts of the House to look for easy scapegoats. It was not the abolition of education maintenance allowance or the increase in tuition fees that caused these riots. However, they do suggest that that there is no future for many of our young people. We must begin to define a future for them, so that they believe that they are part of society's solutions rather than part of society's problems.

5.56 pm

James Morris (Halesowen and Rowley Regis) (Con): Even before the disturbances of the last few days I had become increasingly concerned about active antisocial

[James Morris]

behaviour in my constituency, but the acts that we have seen over the past seven days have succeeded in crystallising that concern in my mind. We have seen astonishing and completely unacceptable acts of mindless violence in communities across Britain. I am bitterly disappointed and appalled that in recent days they have reached parts of Birmingham, West Bromwich, Sandwell—part of which I represent—and Wolverhampton in the west midlands, very close to my constituency. The perpetrators must and will be punished by the full extent of the law.

However, we also need to reflect on how this has happened. Let me quote from an e-mail that I received from a constituent:

"I may be wrong but I believe that the riots are symptomatic of a disrespect of values and we can trace the causes to a lack of discipline in schools; to a contempt of values ranging from litter, graffiti, antisocial behaviour through to more serious crime. I am convinced links exist.

I hope, perhaps in vain, that on this occasion, that sympathy will not be extended to the culprits of riots but to the victims. Instead of sympathising with the perpetrators, I hope that the Government will look to discipline in society that is currently weak and is a major factor in our present circumstances...Now is the time and the responsible public will be with you."

It is important to stress that the overwhelming majority of people have been appalled by these actions, and are decent, law-abiding citizens. However, in my constituency there have been plenty of examples of low-level antisocial behaviour and crime which I believe could lead to wider problems. For instance, a couple of months ago there was a case of arson in a factory in Malt Mill lane, Blackheath. Metal theft has been a big problem throughout the black country, and the roof of Halesowen Church of England primary school has been stripped on several occasions. Graffiti in Stourbridge road and other parts of Halesowen have been a persistent and constant problem. My local police commander, Inspector Steedman, recently arrested five youths for that offence. They went before the magistrates court, and were fined a total of £29.

Margot James: I thank my hon. Friend and constituency neighbour for giving way. Is he shocked to learn that there are reported to be more than 1,000 arson attacks a year in the borough of Dudley, and that I believe that to be a gross under-report? Every day when we read the *Express and Star*, we learn of arson attacks.

James Morris: My hon. Friend makes an excellent point. That is very worrying.

I am a great believer in the "broken windows" approach to tackling crime. Allowing low-level disorder simply encourages further criminality in the same area.

The next point to consider is why this situation was allowed to spiral out of control more broadly across the west midlands. The police acted bravely, and I want to pay tribute to the chief constable of West Midlands police, Chris Sims, and his officers in Birmingham and other areas of the west midlands, who did an excellent job in quelling this disorder.

6 pm

The debate stood adjourned (Standing Order No. 9(3)).

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, proceedings on the Motion in the name of the Prime Minister relating to Public Disorder may be proceeded with, though opposed, until 8.00 pm.—*(Sir George Young.)*

Question agreed to.

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motion in the name of the Prime Minister relating to Public Disorder.—*(James Duddridge.)*

Question agreed to.

Public Disorder

Debate resumed.

Main Question again proposed.

James Morris: The West Midlands police force did excellent work in quelling the disorder. We must recognise that many of these riots were organised. The disorder in Birmingham and across the west midlands was organised by youths using modern technology on smartphones and social networks. The police were, to some extent, always playing catch-up. I therefore believe we need to look at the effectiveness of their current techniques to ensure that the police can protect the public effectively in this new world. We must also recognise the crucial role played by brave individual police officers and the work they did to quell this disorder, and I pay tribute to every police officer who was on the streets of Birmingham and across the west midlands over the past few days.

Respect and responsibility start at home, and we must create a situation in which parents understand that it is unacceptable for them not to know where their children are. Discipline in the classroom is important. I know my right hon. Friend the Education Secretary has recently introduced measures to improve school discipline, and that is crucial. We need to clean up our towns and we must not accept irresponsible and criminal behaviour.

It is time for everyone to play their part, take responsibility for the state of their community and put right the outrageous wrongs we have seen over the past several days.

6.3 pm

Richard Burden (Birmingham, Northfield) (Lab): This has been a tragic week for my home city of Birmingham. It has been most obviously tragic for those who have lost their lives and their families and friends, but it has also been tragic for those whose businesses have been hit and whose property has been destroyed. My part of Birmingham was not dramatically affected by the disturbances, but the fear there was just as real as it was everywhere else.

We witnessed appalling scenes in Birmingham, other parts of the west midlands and elsewhere, about which there has rightly been unanimous condemnation in the House today. There has also been unanimity in calling for the right kind of robust police response. It is important too, however, that when our constituents call for things such as water cannon and rubber bullets, we faithfully report what the police say to us. The clear message from the police in the west midlands is that those things would, at best, have been irrelevant and could have been destructive if used. That is not to say that they should not be available in reserve; they already are, and they always have been. They were not appropriate on this occasion, however.

It was a time of appalling scenes, but it was also a time of real citizenship. I want to pay my own tribute to the emergency services and to echo what the hon. Member for Halesowen and Rowley Regis (James Morris) said about West Midlands police and their officers. There are also countless council and other workers out there, cleaning up promptly through the night. We need to pay tribute to them.

I also pay tribute to the work of politicians of all parties on the city council and colleagues in this House, particularly my hon. Friend the Member for Birmingham, Ladywood (Shabana Mahmood). Real citizenship was shown by volunteers, too. The people who turned up with their brooms—interestingly, it was the Twitter network that brought people to the centre of Birmingham and elsewhere to clean up—were predominantly young, and that emphasises the fact that there should be no stigmatisation of young people. It was young people who drove the broom brigades.

As a city—this is probably the case elsewhere—we need at times like this to celebrate what is good about our city and what brings us together. We saw that graphically in the profound dignity of Tariq Jahan just last night. On Sunday, Birmingham will come together as a city. An event has been organised to celebrate the achievements of the racing driver Nigel Mansell, who will see a star in his name put on one of the main streets of Birmingham, but many of us are saying that we should make that event a celebration of our city, of what brings us together and of the fact that we are bigger and better than what we saw this week.

In the last few seconds that remain, let me say two things. It is not point scoring to warn about the impact of the coming police cuts. I hope that Government Members recognise that. It is also not point scoring to warn about the effects of cuts to services for young people. This is about keeping the infrastructure we need in place to prevent such things from happening again. If we are not to stigmatise people, we need to support them. That means that the infrastructure and services must be in place to give them a voice and to allow them to have the opportunities they need and demand. I do not mean those who were committing the violence this week, but the thousands of young people in Birmingham and up and down the country who say that they want more opportunity, want to see change and want to be listened to. We must listen to them, and that must be the message from this debate, too.

6.7 pm

Jane Ellison (Battersea) (Con): The rioting that affected Clapham Junction, which is in the heart of Battersea—to make a boring geographical point, it is not in Clapham, but in Battersea, as Clapham is several miles away, a point that causes great confusion—affected many businesses, leaving some of them very damaged, and left the community badly shaken. I live very close to Clapham Junction and once the police made it clear that serious trouble was expected, from about 8 o'clock, I spent an hour or so visiting businesses that were still open, particularly takeaways and restaurants, to advise them of what was going on and to urge them to take precautions. Many of them felt that they had not been given sufficient warning by the authorities and felt rather let down, and that has resulted in a loss of confidence in the authorities.

I am also glad that, although we all acknowledge the bravery of the police and what they did, the Prime Minister said in his statement that senior police offices have acknowledged that some of the tactics need to be reviewed. In truth, parts of my constituency were a free-for-all for hours, with scenes broadcast on rolling news of people helping themselves that made it far

[Jane Ellison]

harder to restore order. The numbers piling in were increasing as that carried on. Many people were appalled to see open criminality being tolerated on the streets.

I do not know what shocked me more: passing the giggling groups of teenagers phoning their friends to check on their trainer size, the van that parked opposite my house with eight or nine balaclavaed youths piling out of it who went up to Clapham Junction, gathered up armfuls of stuff, got back in the van and drove off—obviously I have given the registration number to the police—or the fact that the first person convicted lives in Battersea and is a 31-year-old school worker in a south London primary school. We have to be very careful about reaching for easy solutions about social exclusion when we look at some of the people who have been convicted.

Andrew Selous: Does my hon. Friend agree that if that school worker is convicted—I say this in the presence of the Secretary of State for Education—it would perhaps be a good move for the school to consider dismissing them from its employment as a poor role model to the children?

Jane Ellison: In truth, I cannot see how someone convicted of that offence could possibly be a role model. I am sure that the authorities will take the right action.

I want to say a word about the mix of police skills, and about numbers. A lot of points have been made—some of them a bit party political—about numbers, but in my conversations with my area commander, the emphasis has been on having the right skills mix available to the police. The skills that a safer neighbourhoods team constable has are quite different from those of a trained public order officer, and the two cannot easily be substituted for each other, so it is not purely a police numbers issue; it is about those on the ground having the right skills mix to deploy, and being able to react to a very fast-moving new challenge.

On the effect on retailers, I think people have been shocked to realise that loss of livelihood does not feature as high in the priorities as many feel it should when it comes to public order. It is a very serious thing for people to lose their business or their job, particularly in retail; the ultimate irony is that retail is an area of the economy that provides entry-level jobs to young people straight from school. It is the most stupid area of all to attack, and to deprive people of jobs in. If JD Sports pulls out of some of the areas that have been badly affected, the people affected would have a very similar demographic profile to those who attacked it. That is absolutely crazy and self-defeating, so I very much welcome the measures that the Prime Minister announced on business rates holidays and so on.

I should like to make a plea, and I am sure that hon. Members will take this up with their councils. As we know, many small businesses do not apply for the relief that they are due. I have said to my council, which has been very responsive to the idea, that it should provide a form-filling service to very small businesses, to make sure that they hit their deadlines and that nothing is rejected because the forms are not in order. Wandsworth has been very responsive to that idea, and I very much hope that other councils will do the same. We do not want to hear of people missing out because they missed the deadline.

There will be a lot of focus in the coming months on the causes of the problems. Essentially, there will be a focus on the gulf between the values of the young people who marched towards Clapham Junction on Monday night, armed with a brick, and the many more young people who descended on Clapham Junction the next morning, armed only with a broom, to help with the clear-up.

6.12 pm

Malcolm Wicks (Croydon North) (Lab): As soon as I heard that there were riots—and they were riots—in my constituency and in the borough of Croydon, I left my family holiday, and I have spent the last two days talking to many hundreds of victims. I think it is best, in the brief time available to me, to report to the House on what I have heard. There were hundreds of people on the rampage in Croydon, ranging, I am told, from those aged eight or 10 to those in their 50s, but obviously most were teenagers and people in their 20s. As the House knows, major buildings were torched; there were absolutely devastating fires. Those buildings, many of which housed businesses and accommodation, have now been demolished. When I looked at the area on Tuesday morning, I realised that it could be London during the blitz, or Berlin in 1945. It is no soundbite to say that it was a war zone. Many were lucky to escape with their lives, and not to be burned to death. A woman jumped from a burning building.

Many dozens of small businesses—offices and shops—were trashed or robbed. There was theft on a gigantic scale. Those small businesses were mainly owned by people from our ethnic communities—hard-working, enterprising people who put their life savings into their businesses. They worked to build them up, and now they have seen them devastated.

Of course there were brave police officers, firefighters and ambulance staff, but the thin blue line was very thin indeed; frankly, in my constituency of Croydon North it was virtually invisible, in the minds of the victims. It is interesting that the centre of Croydon, with big national offices such as those of Nestlé, major superstores such as Marks & Spencer and national brands, was protected by the police, so the mobs descended towards west Croydon, and came into my constituency—the poorer part of the borough, where enterprises are small and tend to be owned by hard-working families. I heard dozens of reports, as I ducked into shops to look at the devastation, that the police had effectively been nowhere to be seen; 999 calls were sometimes unanswered. When people got through they were told that no officers were available. If they dared to call again out of fear about what was happening, they were told they were being a nuisance and, "Please do not call again."

The thugs ruled the roost. Looking at it objectively, the thugs were more mobile, certainly more numerous and made more effective use of technology than the police. That is the reality as I see it. The looters in Croydon North did not have just an hour or two; they had all night to loot and loot again. The shopkeepers told me that people were returning hour after hour to take everything away. None of this was helped by the

absurd decision of Metropolitan police commanders to withdraw our very able and experienced police commander from Croydon to look after strategy at Scotland Yard, meaning that when the riots kicked off that experience was not available.

I have to say to the House on behalf of my constituents that there was no law in Croydon North that night. There was just lawlessness. There was no order, but there was grave disorder. There were virtually no police; the vandals were in command. People are angry and upset and we have got to do better in future.

6.16 pm

Charlotte Leslie (Bristol North West) (Con): When Parliament was recalled, a couple of my constituents, having watched awful scenes on television, said to me, "Oh great, so the cities are burning and the politicians are going to talk. That is really going to fix things." But I have been really pleased that this has not been a talking shop today and some really tangible provisions have come out of this. In many ways, the communities around our country feel that politics has been sleep-talking into this situation.

Although no one could have predicted the manner in which these riots arose, communities up and down the country have seen something that the hon. Member for Hackney North and Stoke Newington (Ms Abbott) pointed out: once kids see that they can do something and get away with it, the problem suddenly becomes an awful lot worse. Throughout communities, and certainly in my constituency, people have been terrorised in their own homes and prisoners in their own neighbourhoods because kids have been allowed to get away initially with low-level stuff, then a bit more, then a bit more.

So the frustration and despair that was felt in many communities at seeing that there were no consequences to these actions was suddenly writ large over the entire nation. The people of Britain know that there cannot be a situation in which actions have no consequences. That is one of the major lessons that we have to learn. It is like a broken window policy. We have to start low-level to avoid reaching the high level. Actions have consequences.

As chair of the all-party group on boxing, I cannot talk about the riots without mentioning the amazing role that boxing clubs have played. Moss Side boxing club and the boxing academy have been on the media. They reach out to young people with energy and aggression who are prone to activities such as rioting. Boxing clubs show them that actions do have consequences. There is discipline and if kids train and do well, they get better at something and they can take control of their life and do something with it. That is testament to fact that the concept that actions have consequences can work in a positive way.

How have we got to this stage? How have we got to the "You can't touch me" approach that can be seen in schools when teachers try to discipline kids and on the streets when policemen try to move on or discipline kids in the street? It has to be down to an abuse of the very valid concept of human welfare and human rights. Over the past years we have seen the rights of criminals come above the rights of victims such as my constituent Helen Stockford. She has suffered terribly and the state has not been there for her, while it has been there to safeguard the rights of her attacker.

How has this been allowed to come about? Well-meaning human rights legislation has been taken out of context, perhaps by people who do not live in the daily reality of the consequences of a distorted human rights concept. The worst thing about a human rights concept that takes away action and consequence, and boundaries and discipline, is that not only our country suffers. Not only our cities burn when kids realise that they can loot stores and get away with it, and then get away with it again; those children themselves suffer. As everyone knows, without boundaries, we cannot know achievement. By taking away discipline, we are taking away from children the basic rule by which one can achieve, and that is simply wrong. It is a lesson that we must all take away from this wake-up call of a week.

6.19 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): In Liverpool on Monday and Tuesday we had two terrifying nights, which I experienced at first hand, but I do not want to dwell on the perpetrators. I want to talk about the victims, the community response and future resources.

There have been many victims in my constituency and across Liverpool; they have seen their homes, property and livelihoods attacked. I joined Alison and her family early yesterday morning. Her pub, the Earl Marshall off Lawrence road, had its windows smashed and was looted late the night before. It was an attack on a family business and a community institution. It was totally unacceptable, and there are too many similar examples of local businesses vandalised—their shutters still closed today—and cars set on fire.

A very small minority carried out that criminal activity, wreaking havoc on local residents and bringing shame on the city. I echo the words of my hon. Friend the Member for Birmingham, Northfield (Richard Burden). An overwhelming majority harnessed the positive powers of open social networking sites, including Twitter and Facebook, to organise, in the early hours of Tuesday morning, a community clean-up. Just a few hours later at 9 am, people turned up in droves, with bin bags, brooms, gloves—young and old, a couple with a baby—all eager to get stuck in and clear away the smashed glass and charred rubbish. The people of Liverpool channelled their anger and abhorrence at what had happened in a massively positive way. When trouble sadly happened again on Tuesday night, even more people turned up on Wednesday morning to help in the clear-up, showing the true face of Liverpool. They were joined by the council, registered social landlords, clear-up teams and the police. A group of strangers from across the city, volunteers and professionals, affectionately referred to as the Liverpool riot Wombles, restored pride to the city.

In Merseyside the police have done a formidable job protecting our community and keeping everyone informed. Like my colleagues, I have not heard a bad word about their formidable efforts to protect the city and to limit damage to the rest of Liverpool. Chief Constable Jon Murphy and his team are to be commended. Merseyside police were deployed to London on Monday, but they returned to contend with the disturbances on Tuesday night. My concern is how they will be able to deal effectively with future trouble, which of course we sincerely hope will not occur.

Gloria De Piero (Ashfield) (Lab): On that point about pressure on the police, I pay tribute to Nottinghamshire police officers, many of whom worked 18 to 20-hour shifts. One of them worked a 26-hour shift. Does my hon. Friend agree that police cuts of 20% would make that situation even worse?

Luciana Berger: Of course. The cuts are incredibly concerning. Merseyside police have already been recognised for the cuts and efficiency savings they made before the latest police settlement. No accommodation for those efficiency savings and back-office cuts was made in the settlement.

Andrew Percy (Brigg and Goole) (Con): Perhaps before we decide that police cuts are the reason for the problem, the hon. Lady should consider the words of the chief constable of West Yorkshire, who said he had the resources he needed and that he had enough resources to invade a south American country.

Luciana Berger: Two weekends ago, before the troubles occurred, I was out with the police in my constituency, and it was evident then that they were already stretched on a Friday night to respond to all the priority 1 calls. Over the next few years, until 2015, Merseyside police are set to lose 800 police officers, so the challenge is about the number of police officers we might lose in the future. My constituents have told me more than 100 times over the past couple of days that they want more police officers on our streets, not fewer. I echo the call from the shadow Home Secretary that the Home Secretary should clarify whether police forces will be able to recoup the additional costs they have incurred over the past few days. If they cannot, I am even more concerned about future community safety for my constituents and across Liverpool.

My concerns extend to all our emergency services. On Tuesday night four fire engines were attacked in my patch while they were attending fires. That was a completely despicable act. Merseyside fire service is already stretched and bearing the brunt of the biggest cuts in the country. I urge the Government to revisit the amount of resources that all the people who put their lives on the line to protect us, heal us and put out our fires deserve in order to look after my constituents, all the people of Liverpool and the entire British public.

6.24 pm

Tom Brake (Carshalton and Wallington) (LD): I start by using this opportunity to thank and to express my admiration for the emergency services and their work—not only the emergency services that have been working at the flashpoints that we have all heard about through the press and so on and in today's debate, but those that have been working in areas where problems have arisen although people might not be aware of them, such as in the London borough of Sutton, where many police officers, police community support officers and specials have been deployed.

I would also like to express support for the action that the police have taken. It is our responsibility as parliamentarians to be critical friends of many organisations, including the police, and to express support for them when we support their actions. I also want to express my condolences and sympathy to those whose loved ones have either died or been injured and to the businesses that have been affected either directly or indirectly. Clearly, in the areas where the main demonstrations have taken place, businesses have been affected, but businesses in other areas have been affected indirectly because the early closures that have taken place can have a substantial impact on many small and medium-sized enterprises.

Of course, there can be no excuse for what has happened. Indeed, I do not think that the rioters are making any pretence that theirs was a political protest; it was criminality, pure and simple, and an opportunity for mayhem and violence that they think will be without consequences. It is our responsibility to ensure that there are consequences for them.

Let me underline the fact that there are positives. Members have referred to the positive action that has been taken in relation to clean-ups, for instance, and I want to underline the important roles that young people are playing in many organisations—whether in the Scouts, Youth Parliaments, air cadets or a host of other organisations where young people are making a positive contribution.

In the time that we have for the debate today, it is difficult to identify the solutions to problems that we have seen over the past couple of days and, indeed, the areas that require further investigation, but the right hon. Member for Tottenham (Mr Lammy), who is no longer in his place, quite rightly highlighted some issues around communications between the IPCC and the Met and communications with the family, and that matter requires investigation.

Other Members have proposed the deployment of water cannon, rubber bullets and curfews as a possible solution. We need to consider that very carefully indeed, particularly as other Members have quoted their police officers and said that many believe, for instance, that water cannon are completely unsuited to fast-moving scenarios, with groups of people moving around quickly. We also need to consider the tactics and training that have been used. For instance, if it is correct, as I have been informed by an ex-senior police officer, that the Met plan for no more than three or four disturbances taking place at the same time, that will clearly need to be considered.

The past four days have been extremely depressing. They have done enormous damage to our international reputation. They have left families in mourning and businesses damaged. They have rocked our fundamental freedoms to their foundations. Today, the fight back begins. It will be a long campaign, but it is one that we cannot afford to lose.

6.28 pm

Hazel Blears (Salford and Eccles) (Lab): I am proud today of the way in which Parliament has conducted this debate. For me, the politics of law and order and of security and protecting our citizens have never been about the difference between right and left; they have always been about the difference between right and wrong. Parliament has made that very clear indeed today.

I want to pay my personal tribute to the men and women of Salford's police, Greater Manchester police and the police forces that came to our aid this week, in

very difficult circumstances indeed. They were incredibly brave, committed, courageous and fearless in the face of some pretty horrendous circumstances. On Tuesday night, I saw for myself, in my community, the violence that was going on at Salford precinct. It was localised; we managed to contain it in one small area of the city, but in that small area, it was extremely intense. The cars of local journalists were torched. At one stage, according to the chief constable, there was a mob of about 1,000 people, and we did not have enough police officers to face them.

The Home Secretary herself acknowledged today that initially we did not have enough police officers on the ground. In the first instance, we had ordinary officers in their ordinary gear—clearly, we could not send them into such circumstances. They had to stand by, and the fact that they did so while looting took place was a devastating blow to public confidence. When the riot police came, fully protected and with the right training, there were not enough of them, and at one point in the evening they had to retreat in the face of violence. They ceded the ground to the thugs and criminals. We can never let that happen again. The message to people that they, not the forces of law and order, are in control is absolutely devastating. I know that our chief constable is learning the lessons of that evening and it will never happen again. I am not criticising the police officers but we have to make sure that those tactics are not repeated.

I am pleased that overnight the number of arrests in Greater Manchester and Salford has increased. On that evening, there were only three or four arrests, because the police did not feel able to go in and arrest people on the spot. Now, there have been more than 30 arrests in Salford and, I think, 170 across Greater Manchester. I am delighted that the courts are sitting on a 24-hour basis. Three CPS officers were in the police station overnight preparing the cases and the charges and getting them to the courts. The headline in today's *Manchester Evening News*, "Instant justice", sums it up: people have been given immediate custodial sentences—they committed the action and they have got the consequences. That is what the public wanted.

I commend the *Manchester Evening News* because it has given every single photograph it took throughout these events to the police. I say to the other media—the broadcast media in particular—that they must do the same. It is their duty as public servants to make sure the police have that information.

My final point is that we have all seen positive things—in my area, young people have been on the streets cleaning up. In the past 10 to 15 years, we in Salford have changed our community dramatically and transformed opportunities for young people: we have new schools and a new hospital; whereas before only 20% of young people got qualifications, now 70% do; and our unemployment rate has come down. There are opportunities. Salford is my city, and I am determined that we will not slip back to the bad old days of despair and hopelessness among our young people. We have a massive job to do, but I am determined to ensure that local and central Government, our public services and our citizens themselves use all our efforts. Yesterday, I heard expressions of shock, outrage and horror, but what I also heard from Salford people, who are the salt of the earth, was a fierce determination that these people will not win and we will protect our city.

6.32 pm

Paul Uppal (Wolverhampton South West) (Con): It is always a pleasure to follow the right hon. Member for Salford and Eccles (Hazel Blears).

My constituency experienced rioting on Tuesday evening. Shops were emptied and our city centre became a no-go zone. Businesses that took generations to build were destroyed in a matter of minutes. Livelihoods that took years to create vanished in a couple of hours. During the clean-up the next morning, I was struck by a mental image. There is an Indian saying that it takes a lot of effort to grow a flower: it needs water, love, time and effort, but anyone in one callous moment can come and stamp on it and destroy it.

Many hon. Members will have seen last night's footage of Sham Sharma's shop, which was completely looted by thieves. He and I have been struck by the total lack of respect and the disregard shown by some young people for the rights and property of others. We as a Government must do everything possible to make sure that this never, ever happens again. There is a need to restore confidence in the safety of our towns and cities, so that they are no longer boarded-up ghost towns of an evening. To achieve this, a continuing strong response is needed from the authorities. I welcome the initiatives announced earlier today.

Many are questioning the values of society and wondering how the country has ended up in this situation. I have had many conversations with a constituent, Mr Gurdev Rai, about what he calls the three Rs: respect, responsibilities and rights. It is clear that for many, the right to live free from fear has been destroyed by the events of the past few days. Some of the rioters have spoken of their rights to express their views, to "show the authorities what we can do", and to cause havoc in doing so. Much has been said of their rights. However, they display very little acknowledgement of their responsibilities—responsibilities that each of us has to one another, to our communities and to this nation as a whole. Maybe that has been neglected in the education that young people have received, both at home and at school. It is clear that if everyone were to behave in this manner, our society could not exist as it does.

It is the responsibility of all to maintain everything that we hold dear to our hearts in this great country. We all agree on the principle of the right to vote and to hold an opinion, but to do so within the limits of the laws which protect the values of society. We should be grateful to live in a democratic and peaceful society. Let us be mindful that many young people across the world have been willing to die for the rights that we enjoy in this country. We have the right to free speech and a free press, and the right to congregate and protest peacefully.

The rioters have abused those rights and destroyed the stability that has long existed. They have destroyed confidence in the safety of our towns and cities, and left many of our young citizens terrified. They have let us all down, particularly their young peers. Scenes have been shown, too, of many young people who value their society and work hard to maintain it. To return to the flower story, what I saw in Wolverhampton on Wednesday morning was many young people planting those flowers for the future.

[Paul Uppal]

To live in a positive and enriching society, we must all ensure that we live by the principle of respect—respect for each other, our communities, authority and the law that maintains it. If we are to restore respect for authority in our society, we must start at home and especially at school. We need to return to the values that make our society great. That is not celebrity, fast cars, and a culture of "Me first," regardless of the consequences. This is the real world where young people should look at those who aspire to respect others and work hard for what they achieve. These are the real heroes of our society, those who know their own value, respecting not only themselves, but their families, community, society and country.

6.36 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): When I saw the flames on the streets of Tottenham on Saturday night, I had a deep sense of foreboding because I knew that it was only a matter of time before the same problems came to the streets of Hackney, not just because we have many of the same underlying social conditions but because the same gangs run backwards and forwards across the border between the two communities.

I want to stress that the pictures that people have seen on their television screens of looters in Hackney do not represent my community. What represents my community is the hundreds of people who turned out the following morning to clean up Hackney and to make good their community. I want to thank my council officers and my chief executive, Tim Shields. It is easy for Westminster politicians to denigrate council officers, but when people arrived to clean up Hackney at 10 am, council staff had been there before them and had swept Mare street and the surrounding streets, and everything was clean and orderly before 8 am. Council officers in Hackney had also been up all night monitoring CCTV, monitoring buildings in the high street for arson, and making sure the police got there to stop arson so that we did not see buildings in flames, as we saw in other parts of London. I would like to thank the emergency services and my borough commander, Steve Bending, who did the very best with the resources that were available to them.

Jeremy Corbyn (Islington North) (Lab): When my hon. Friend describes the response of the police in Hackney, does she share my concern that there was a poor and slow police response to what happened in the Tottenham Hale shopping centre? Does she agree that any inquiry into the policing activities must examine why there was so little police availability for that incident?

Ms Abbott: I entirely agree with my hon. Friend, but one has to admire people's willingness to stand up for their community and defend their community. We saw on the streets of Hackney members of my Turkish community, wanting to defend their restaurants. However, we must be careful about vigilantism. It is one thing to defend one's business, but it is for the police to be on the street defending communities. We have seen what happened in Birmingham. I worry about vigilantism tipping over into ethnic conflict in some of our big cities.

Some Members of the House are talking as if disaffected, violent, criminal urban youth, with no stake in society, are overnight phenomena. I put it to the House that in London, to my knowledge, we are looking at the third generation of black boys who have been failed by the education system. I do not say this today because I have read about it in the paper. Ever since I have been a Member of Parliament this is an issue I have worked on. For 15 years I have had conferences about London schools and the black child, trying to bring the community together, trying to bring mothers together, trying to encourage them not to blame the system, or the schools, or politicians, but to take responsibility for their own children's education. I have held workshops in Hackney for the black community, for the Turkish community, and I have had six years of running an award scheme for London's top achieving black children. And I tell the House this: it has been impossible to get publicity for much of this activity, just as many ordinary people in our communities who are working hard with young people and people on estates cannot get publicity. But when people riot, the media is all over our communities, and the next weekend they will be gone, leaving us with these issues.

Let me say, in the very short time available, that one of the things that I have learned from years of work, in particular around urban youth and the black family, is that most families want to do the best by their children. Members are getting up and talking about bad parents. Some of these mothers want to do the best, but they struggle. I gave an award a few years ago to a young man who came here from war-torn Somalia at the age of eight and he got a first from London university. He lived on a grim estate in Brent. His brother was in a gang. It is not just about toxic areas, toxic estates, toxic families; these are individuals. Let us hope that what is happening to boys and families in urban communities is not just this week's issue, but is something to which the House will return and give the attention it deserves.

6.42 pm

Mr John Leech (Manchester, Withington) (LD): After witnessing the terrible scenes in my city on Tuesday night, as a Manchester MP I am grateful to have the opportunity to take part in this debate, particularly given the number of people who wanted to speak. We need to be clear that the scenes that we have witnessed around the country are nothing other than disgraceful criminal activity, carried out by mindless idiots and career criminals who take pleasure in causing trouble and who thought that this was a golden opportunity to rob and steal and not get caught.

I was pleased that on television both the shadow Justice Secretary and the Leader of the Opposition avoided endorsing comments from a small number of people who have tried to use this violence as a means of attacking Government policy and scoring cheap political points at a time when everyone should have been condemning the violence and criminal behaviour rather than giving anyone the chance to try to justify their own criminal behaviour.

Following the scenes in London, Liverpool and Birmingham on television on Monday evening, there was understandable concern in Manchester that such behaviour would spread to our streets on Tuesday.

I spent the early evening on Tuesday out in the constituency to gauge the mood and watch out for any signs of trouble. In south Manchester, we were very fortunate that we did not experience the violence that we saw in the city centre or in Salford. Incidents of disorder and criminal activity were limited, but I was shocked to hear some of the comments being made by young people on the streets. One group of young people were talking about how they intended to go into Manchester and have a great laugh looting and attacking the police. One young woman, who cannot have been above 16 or 17, was shouting into her mobile phone, for everyone on the street to hear, how annoyed she was that she was not able to go and steal herself a new television because she was pregnant. This mentality shows the sorts of challenges we face to change the attitudes of a minority of people in this country.

A small minority of people have sought to try to explain away this poor behaviour on bad education, unemployment and a lack of things to do for young people, but that simply does not wash. Among the people already brought before the courts are a teaching assistant, a chef, a graphic designer, a university student and an 11-year-old child. It is not simply the disadvantaged and disaffected. Only a tiny minority of people have caused the trouble. The vast majority of people, regardless of their education, employment status or level of boredom, had absolutely no interest in being out on the streets causing trouble in Manchester or any other town or city across the country.

Yesterday, along with a number of Greater Manchester MPs, including my hon. Friend the Member for Cheadle (Mark Hunter), I attended a meeting with the police. It came as no surprise to me when the chief constable told us that the vast majority of those people who have already been arrested were already known to the police. The recent unrest has been seen by some as a golden opportunity to carry out their usual criminal activity, as they assume that they will not be caught. We need to get across the message that they will be caught, charged and convicted. I know that the police are working flat out to identify people involved in the riots, and I pay tribute to them and to the fire service for the job it has done under very difficult circumstances. Two people found guilty of offences have already been sent to prison. Swift justice will send out a clear signal to these criminals that they are not above the law.

Finally, I would like to pay tribute to the response of the people in Manchester to the devastating scenes in the city. I was out on the streets yesterday morning helping with the clean-up operation. Work had gone on throughout—

Mr Deputy Speaker (Mr Nigel Evans): Order. I call Mr David Winnick.

6.46 pm

Mr David Winnick (Walsall North) (Lab): The Home Affairs Committee is going to conduct an inquiry, as we know, and we will see what conclusions it reaches and whether its report will be unanimous, but in my view a public inquiry might also be needed, because it is very important to determine the circumstances of Mark Duggan's death, what happened afterwards and how his partner and family were informed.

When I refer to the involvement of social and economic factors, the immediate response from Government Members may be to claim that I am an apologist for what has happened. I am nothing of the kind. Like everyone else, I condemn the looting, the arson and the manner in which mobs were in control in the absence of the police. In some cases law-abiding people feared for their lives. That was the case in West Bromwich and Wolverhampton, which is near my constituency, and of course there was the tragic killing of three young men in Birmingham. I am not an apologist for law-breaking and never will be, but there are social and economic factors, such as deprivation and gangs. Questions have rightly been raised about the involvement of youngsters, some of them only nine, 10 or 11 years old, and, of course, the lack of parental control. Those are all part of the social and economic factors to which I have referred.

In the limited time available, I want to talk about the police. It is interesting that when Members have spoken today they have referred to the fact that the police were not around or that not enough of them were around. No one has suggested for one moment that there were too many police. We heard from my right hon. Friend the Member for Croydon North (Malcolm Wicks), for example, that it was impossible to contact the police. In those circumstances, I ask the Ministers who are present, and the Prime Minister and the Home Secretary, who are no longer in their places, whether it really makes any sense to go ahead with the proposed cuts.

In the west midlands it is intended that there will be 1,000 fewer officers. Indeed, more than 100 officers who have more than 30 years' service have already been asked to leave against their wishes. They do not want to retire from the police service. The Government have argued time and again that that is necessary because of the cuts, but I believe that reducing police numbers and taking the view that what has happened in the past few days will not be repeated is very foolish. I know that my view will be dismissed as purely party political.

The other point I want to make is that I am very wary indeed of rubber bullets, water cannon and the rest of it. I am, always have been and probably always will be a firm believer in the ordinary policing that has been used in this country. In my view, the use of water cannon, rubber bullets and the rest of it, which has been suggested, far from resolving the issue, would probably escalate it and would have made the situation in the last four nights even worse. Let us put our confidence in ordinary policing and for heaven's sake not go ahead with the reduction in police numbers. It makes no sense at all.

6.50 pm

Mr Philip Hollobone (Kettering) (Con): It is a great pleasure to follow the hon. Member for Walsall North (Mr Winnick), for whom I have a great deal of respect, but I am afraid that I disagree with him on water cannon, the issue to which I want to speak this evening. In doing so, I declare my interest as a special constable with the British Transport police, and I also speak on behalf of the hon. Member for Wellingborough (Mr Bone), who would like to be here but is not for family reasons. I also thank all those police officers who have gone above and beyond the call of duty to defend local communities during the past few days, some 40 of whom have come from Northamptonshire.

[Mr Philip Hollobone]

I simply cannot understand, and nor can my constituents, what the problem is with using water cannon in this country. Rioters do not like being cold and wet, and they will go home. If we spray them with cold water, especially if there is dye in it so that we can see who the troublemakers are, we will find that it is easy to arrest them. That is not an operational matter for the police, as we have been told throughout today; it is a matter for the Home Office, and I note that no Home Office Minister is present on the Treasury Bench to hear these remarks, which is a great shame.

I have a Home Office letter, dated 22 December 2010, from the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who is responsible for crime prevention. It states:

"Water cannon are not approved for use in England and Wales. Chief Officers would need to seek Home Office approval under the Code of Practice on Police Use of Firearms and Less Lethal Weapons if they wanted to introduce water cannon to England and Wales as a potential public order tool."

Responsibility for water cannon rests with the Home Office, not with chief constables. The letter goes on to state:

"The Home Office would carefully need to consider its operational merits, its technical and medical risks and its impact on the British model of policing before approving it as a tactical option for police. However I do not think anybody wants to see water cannon on the streets of Britain as we have a different culture of policing."

May I tell Her Majesty's Government that my constituents do want to see water cannon on the streets of Britain? We want to see rioters hosed down, sprayed and covered in purple dye, so that we can see who the troublemakers are.

Dan Byles (North Warwickshire) (Con): Does my hon. Friend not agree, however, that water cannon are generally better at dispersing large groups of rioters who are confronting the police? In recent days, we have seen agile, nimble groups of rioters who have been evading the police, so water cannon might not be that useful in those circumstances.

Mr Hollobone: My hon. Friend makes a very good point, and the rioters over the past few days have not been like those in Parliament square, but when those riots occurred recently the same excuses were trotted out about how water cannon would not be appropriate. They would be appropriate, because if all those yobs in Parliament square had been hosed down and covered in purple dye they would soon have gone home, so it is simply not fair to expect police officers, with a riot shield in one hand and a baton in the other, and when they are told off for hitting somebody with a baton, to face a violent mob without giving them the weapons that they should have to bring order back to our streets.

My hon. Friend makes a reasonable point, but water cannon would have helped with the riots of recent days, because someone who is cold, wet and covered in purple dye is far less likely to loot their local TV shop, JD Sports or whatever, as they would know that the police would be able to come and get them pretty quickly.

I welcome the news today from the Prime Minister that at last we are going to have some action on face coverings. May I commend to the Government my Face Coverings (Regulation) Bill, which I introduced earlier in the year, and which would have banned the covering of all faces in public? If we are going to do so for people with criminal intent, we will at least take a step forward, but may I urge Her Majesty's Government to give the police stop-and-search powers so that they can apprehend people in order to search for face coverings? The existing legislation prevents police officers from stopping and searching somebody to see whether they are in possession of face coverings.

My constituents want to see water cannon used against rioters, and they want to see legislation to ban face coverings for those intent on promoting criminal violence. Basically, we are too soft in this country on those who would set about causing violent disorder, and it is time that the police service became a police force once again.

6.55 pm

Keith Vaz (Leicester East) (Lab): This has been an important debate with some powerful and eloquent speeches. It has fully justified the decision by the Prime Minister to ask Mr Speaker to reconvene Parliament.

We have had a view of the whole country and of the constituencies that have been scarred by the violence over the past few days. In my Leicester constituency, there has been disorder. In an interview with my local radio station after what happened in Tottenham, I was asked whether I thought that it would happen in Leicester. I said that I doubted it, because Leicester is not the kind of city where such events occur. Sadly, they did occur, and I pay tribute, as have so many right hon. and hon. Members across the Chamber, to the local police force for what it has done over the past few days.

The hon. Member for Kettering (Mr Hollobone) put forward powerfully his views about what should be the police's tactics. Although I accept that policy is a matter for the Home Office, in the end these are matters for the police. Politicians can articulate their views, but at the end of the day it is the police who face the most difficult tasks of all.

Last night I was in Clapham. I apologise to the hon. Member for Battersea (Jane Ellison), because I thought that Clapham Junction was in Clapham, but of course it is in Battersea. I was with her excellent chief superintendent, David Musker, and I went to meet some of the victims of the disorder. I pay tribute to what the police have done. This debate has highlighted the importance of visibility and I think that we will return to that issue.

I thank the members of the Home Affairs Committee, some of whom are here, such as the hon. Member for Rochester and Strood (Mark Reckless) and my hon. Friends the Members for Walsall North (Mr Winnick) and for Birmingham, Selly Oak (Steve McCabe), for agreeing to hold a wide-ranging inquiry into these disorders. We have just published our terms of reference and I have sent a copy to every right hon. and hon. Member of this House. Sitting here listening to this debate has almost been like the start of the evidence sessions, because each Member has put forward a powerful case for acting in different ways. I hope that Members will suggest organisations that might want to give evidence

to the Committee. We will of course look at police tactics, the operation of gangs and mobile communications, and we will revisit issues that we have looked at in the past, such as in our inquiry into the G20 protests. This will be a thoughtful and measured inquiry, which will begin on 6 September. I am glad that the Mayor of London has agreed to be a witness. That was a pre-arranged evidence session, but he will now start off our inquiry, hopefully along with the new Metropolitan Police Commissioner.

Alun Michael: Notwithstanding the importance of that inquiry, does my right hon. Friend agree that it is important to have a wider inquiry into what the Prime Minister earlier described as the context within which crime happens, and that there should be a full-ranging public inquiry in addition to the excellent work that I am sure our Committee will do?

Keith Vaz: That must be up to the House after it has considered all these matters. My right hon. Friend is right that this matter goes far beyond issues of policing and moves into issues of justice and education. It was good to see the Secretary of State for Education here and I am glad that he will wind up the debate on behalf of the Government.

My hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), who came into this House with me 24 years ago, has been going on about the issues of black youth for 24 years-plus. Other Members of the House have done the same thing. My right hon. Friend the Member for Salford and Eccles (Hazel Blears) made it her whole career in the House to talk about the need to bring communities together and to get neighbourhoods involved in policing. Government Members have done the same. There is no monopoly of wisdom.

We need to consider wider issues, but, for the time being, let us concentrate on giving the police the resources they need and ensuring that the disorders come to an end. Let us then move on to try to get some practical solutions to ensure that such violence never happens again.

I have just seen the press conference held by the young man from Malaysia, who was mugged by people who appeared to come to help him. Twenty million people have viewed that incident on the world wide web. It is important for the reputation of our country and our citizens that we get the solutions right.

7 pm

Mr Brian Binley (Northampton South) (Con): It is a pleasure to follow the Chairman of the Home Affairs Committee. I wish him well in his important work and look forward to the Committee's report.

My constituency is a microcosm of Britain in its ethnic make-up. The similarity between Northampton South and the national make-up is startling. I have sought the views of my constituents across that ethnic spectrum in the past three days and I said that I would report their words to the House, because they are important and we need to listen to them.

My constituents said that we should not seek to provide excuses or justification for violent disorder; and that we witnessed blatant criminality and thuggishness in the riots and we should recognise that. They told me that we need to stand up to those who are driven by a total disregard for others and should make no apology for them. They said that we need to protect individuals in our communities, their livelihoods and the businesses where they work. They were the victims in the past four days, not the people who chose to disregard and abuse them. My constituents say that, consequently, our first priority is to maintain order on our streets, and I bring that message to the House.

My constituents also say that we need to change the culture of our policing; that law enforcement, like justice, needs to be done and seen to be done; and that when punches are thrown at a police officer, the person should be arrested there and then so that the pictures go out across the nation, showing that the police are taking law enforcement seriously. Saying that they will get people later through CCTV has less of an impact. Immediate action is a vital part of stopping copycat criminals, and we need to take that on board.

I am sad to say this to my Front Benchers, but we need to review police numbers. We need to look at what is happening this year and take the riots into account. The review should be not only about numbers, but about deployment, and we should conduct it before we make our decisions about the funding formula grants next year.

My constituents told me that the riots were not a matter of poverty, ethnicity, multiculturalism, unemployment or cuts. They say that claiming that is an insult to the many hundreds of thousands of people who come from underprivileged backgrounds and who have fought their way out and created successful lives, making a success of business and careers. They are sick to death of being tarred with the same brush. It does not help our society to do that. We need to take on that message, too.

My constituents are not very happy with the politicians. We need to take responsibility in the House for what we do. They deplore the fact that we do not seem to listen to them. They tell us that we are failing in that respect. They deplore our misrepresenting of important issues and putting political slant first. They deplore the fact that we make promises that we cannot or do not keep, and that we spin and show them disrespect. That goes for all of us. It is no good saying that it applies only to Government Members—it is all of us, and we need to take that on board. That is the message that I promised to bring to this place. My constituents want us, too, to change our act. We are part of the problem; we need to be part of the answer.

7.4 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): There have been devastating events in my constituency, where we saw criminals breeding fear in residents and leaving destruction in their wake. I, too, pay tribute to the authorities in my area and to the council, whose clean-up with the help of local residents on Tuesday morning was so effective that by the time I arrived back in the constituency from my holiday—I came as soon as I could—the area was unrecognisable from the night before.

Police commander Steve Bending and fire commander Graham Howgate and their officers have also done a good job in restoring order to our streets. Their police

[Meg Hillier]

officers are sleeping in the corridors at Hackney police station, ready for any further trouble. They are working closely with council officers in the CCTV room controlled by the council. Although there was still damage in Hackney, the use of CCTV has been effective in reducing it. To anyone who suggests that we reduce the use of CCTV, I would say that not a single constituent has ever asked for that. They always want more, not less, and we have seen the effects of that today. I would ask the Government to remember that.

In Clarence road in my constituency, where the worst of the troublemakers were kettled in, the police faced a real challenge. Around the police line there was looting, with cars in flames. There were not enough police to stop the looting at that time, so there are questions that the Home Secretary and the Metropolitan police need to ask at the central level about police deployment—about their ability to deploy at the right speed to get to the right place at the right time—and, of course, about police numbers. I echo the comments of the hon. Member for Northampton South (Mr Binley). Now is the time to pause—to stop and think about cuts to police numbers. We do not need fewer; we need what we have now. We know that Ministers will trot out the mandarin maths that they are being fed. We need to listen to what people are saying out there on the ground and learn the lessons from what we have seen. Cuts of 20% are too deep and will have a devastating impact on our neighbourhood policing teams.

I welcome the support for businesses that the Prime Minister has announced. One business man, Shiva Kandiah in Clarence road, spent 11 years working seven days a week, with just one day off every year on Christmas day, building up a business that is now devastated. When will the full details of the Riot (Damages) Act 1886 scheme be announced, and can we be told now, at the end of this debate, whether it will help the uninsured and the under-insured?

I have very little time to look at the causes, but it is clear that gangs were heavily involved in such activity up and down the country, and certainly in Hackney. There are three reasons to tackle the gangs. I will not repeat what hon. Friends and colleagues have said about crime being punished. We know that those criminals need to be dealt with, and residents want them dealt with severely, but young people in Hackney make up around a third of all residents in the borough, and they are afraid. They are afraid to walk around their own streets at night, and their parents worry too. Those young people worry about going to activities and youth clubs outside their postcode areas. They should enjoy the same freedoms as most of us did when we were young, and their parents should not have to worry.

The key thing is that we are seeing a potentially lost generation, as children of primary school age are being hooked into gangs early, with some already directly involved and others with family members involved. Schools and youth support can do only so much. We need to break the cycle. I therefore welcome the Government's talk of a report on gang culture, but it must be one that listens to young people. We have hardly heard a voice from young people in this place today, which I would have liked to have had time to reflect in the debate. We must talk to those who are good citizens, as well as those who are disaffected. Top-down will not deliver. We need local people and organisations working together to stop the gang culture once and for all and rescue and prevent the lost generation of very young children from getting hooked into wider criminal activity.

7.8 pm

Andrew Selous (South West Bedfordshire) (Con): When I was asked this morning why I had made a 2,000 mile round trip, leaving my family to be here, even though my constituency is not affected, my answer was very simple. It is because I care for this country, like every Member here, and I am deeply upset and angry at what has happened.

My constituents have said to me clearly that they want to see the rioters made to clear up and pay for the damage that they have caused, as well as being punished. They want to see the police move more swiftly, being deployed when needed and acting more robustly when necessary. I have a concrete proposal to make tonight. I do not want us to use the term "shoplifting" any more; I think that we should rename it "shop theft". Let us call it what it is. At the same time, an £80 fine for stealing up to £200 worth of goods is simply inadequate. We need tougher sentences for shop theft, as I believe we should call it. Many of my shopkeepers in Leighton Buzzard and elsewhere have talked to me about the problems of shop theft—indeed, it is a problem for us all—so I would ask the Government to act on that.

I praise the broom armies that we have seen in Battersea, Hackney, Liverpool and other areas. There is good in this country. Many people have praised Tariq Jahan from Birmingham, and I join them. I also wish to praise Pauline Pearce from Hackney, who told a mob of youngsters that they were doing wrong and that they should not riot. Good on her! Let us have more decent British citizens like her standing up and doing the right thing, because then we will have less trouble. We all have a stake in this, not just the forces of law and order. Every one of us—Members of Parliament and members of the public—can play our part in stopping these rioters getting their way.

Of course our young people need hope for the future and a stake in our society, a home of their own, a job, support when they get married and help with saving and loans to start up a business. The Prime Minister said that he hoped this debate would look at changing the culture in our country. In my own small way, I want to play a little part in doing that this afternoon.

Where do we learn right from wrong? We learn it from teachers and from the police, but above all we learn it from our parents. Being a parent is a really tough job if there are two of you, but it is particularly tough if there is only one of you. I salute single parents, many of whom do a fantastic job, but if there were more fathers around fewer people would join gangs. I salute Tony Wright, a former Labour Member, who said a few years ago:

> "When some other hon. Members and I were children, the cry would sometimes go up, 'Wait until your father comes home.' For many children in this country, there is no father to come home."—[*Official Report*, 24 May 2005; Vol. 434, c. 650.]

He was right. Let us unite around the need for more fathers to help bring up our children and teach them right from wrong. That is what the Prime Minister called on us to do when he spoke earlier today.

There are things that we can do to strengthen families, such as community family trusts—there is one in my constituency. The "Let's Stick Together" course is being piloted by the Department for Education in an excellent initiative. It started in Bristol and is spreading around the country. It is a small start, but let it spring up in every constituency. We can also reduce the couple penalty in the benefits system, and the Work programme will be a big help in that area too. We all have a part to play by acting responsibly. Being a parent is the most important thing that any of us will do, and that is part of the solution.

7.12 pm

Ms Karen Buck (Westminster North) (Lab): Our hearts go out to all of the victims of the destructive violence we have seen in the last week, including those in the three episodes that have occurred in my constituency, and to those so tragically killed a couple of days ago. Every single one of these acts is an individual act of criminality for which those responsible must be prosecuted, and our grateful thanks go out to the police for the work that they have done. We owe them a debt that we should not repay by cutting their numbers and assaulting the leadership and integrity of our safer neighbourhood teams.

This was not a protest and no one marched or looted with a manifesto, but nothing comes from nothing. This was an unprecedented event—an explosion on our streets that reflects a chasm between many parts of society and elements of our urban youth. We have heard a lot during this debate of concerns about the way we live now, including family, fatherhood and the community, and those are issues that we should address. We have also heard concerns about the economic prospects for our young. We have heard very little about other great themes such as values, consumerism and the stresses on our society caused by a 30-year widening in inequality. We have also heard very little about the problematic relationship between too many of our young people and the police, but that deserves to be addressed.

Very few, if any, of these issues started on election day last year, and I am happy to confirm that fact. I know that cuts in public spending did not cause the riots that we have seen, although I also believe that youth unemployment and cuts in our youth services have not and will not help the problem of young people with nothing to do and no prospects. However, I urge Government Members to recognise that if we are to continue a thoughtful and mature debate on the causes of this crisis, they should not imply that many of the roots of the problem lie in May 1997. That is not true either, and we will not understand the problems if we follow that path.

In the few seconds left to me, I want to focus not on the immediate policing priorities with which we have rightly been concerned this week, and not on the great themes of our economy, our society and our institutions of authority, but on a very practical issue involving gangs. It is of course true that in Hackney, south London and other parts of the country we have had a gang culture for many years, but it is also true that there has been an explosion of gang activity. Some of it is criminal, and some of it involves youth gangs. Those activities overlap in a way that is sometimes fluid and sometimes distinct—sometimes they feed off each other—but now it is percolating not just into city communities such as mine in Westminster and Kensington, of all places, but out into the suburbs. It is facilitated and driven by social media, although not caused by them.

We can turn that gang culture around, and we can do it quickly. There are fine individuals and fine voluntary and community organisations that can play a part in solving the problem, but they need our sustained support, not just today, for six weeks or for six months, but over the coming years. I urge the House to accept that, if we condemn the criminal deeds that we have seen and punish the criminals who are responsible for them—as we must—we must also ensure that we do not write off our blighted urban young.

7.16 pm

Mr David Burrowes (Enfield, Southgate) (Con): Thank you, Mr Deputy Speaker, for giving me an opportunity to speak about the appalling events that hit Enfield on Sunday night. I pay tribute to my hon. Friend the Member for Enfield North (Nick de Bois), who gave a good account of those awful events. They also washed into Waltham Cross, in the constituency of my hon. Friend the Member for Broxbourne (Mr Walker), who has taken a close interest in the issue, and into my constituency.

My constituents would want me to express a number of emotions on their behalf during the brief period available to me. Those emotions include, of course, sympathy for the businesses whose livelihoods simply went in a matter of hours. My hon. Friend the Member for Battersea (Jane Ellison) made the good point that we must never understate the importance of the livelihoods of those businesses, and that must be reflected in how we enforce the law and punish those who seek to denigrate it.

Another of those emotions is shame: shame that one of the oldest department stores in north London, and in Enfield itself, has had to bring in counsellors to counsel members of staff who are still traumatised by what happened on Sunday night, and a dog team to reassure staff and customers about future trade. A jeweller has put sandbags in front of a shop that was raided, and other shops are boarded up because their owners are still in fear.

A further important emotion is the feeling of support for the emergency services, which have made such a brave and sterling effort in Enfield: for the action of the local police, for the strong leadership of David Tucker, their borough commander, and for their bravery and—despite enormous provocation—extraordinary restraint. However, my constituents want, and wanted at the time, tougher action and more police. The wave of violence that hit Enfield was intolerable, and it then crashed down on Croydon, Clapham Junction and Ealing, and beyond. My constituents have a serious question to ask: why did it take until Tuesday for that particularly robust policing to arrive on the streets? They want to give their unqualified support to our police, in terms of not just numbers but empowerment. They want the police to be free from the time-consuming process of processing

[Mr David Burrowes]

individuals from arrest to charge, and from the risk-averse culture that advocates containment rather than confrontation.

However, there is also the issue of enforcement. The right hon. Member for Salford and Eccles (Hazel Blears) reported reassuring news in an evening paper about instant justice, but there is less reassuring news from today's edition of the London *Evening Standard*, which has the headline "Riot Police Fury at Soft Sentences". Members on both sides of the House have referred to the riots on their streets, but, although 400 people have been charged, there has not yet been a charge of riot. I am assured, and I recognise, that there is a heavy evidential burden and that there will probably be charges in future, but that raises the issue of the serious offence of riot.

Guidance from the Crown Prosecution Service lists the characteristics of riots. For instance,

"the normal forces of law and order have broken down"—

they certainly broke down in Enfield—and

"due to the intensity of the attacks on police and other civilian authorities normal access by emergency services is impeded by mob activity".

That happened in Enfield as well. Next it says that

"due to the scale and ferocity of the disorder, severe disruption and fear is caused to members of the public".

That happened in Enfield, too. It also says that

"the violence carries with it the potential for a significant impact upon a significant number of non-participants".

That happened in Enfield and beyond.

We must ensure that when these offences come before the courts, even though the specific crime may be burglary or theft, they are all considered in the context that there was a riot, and the culprits are punished accordingly. We must look at the offence of riot to see whether it is fit for modern purposes.

There is little time left to consider the deeper issues involved here. Whereas in years gone by rioters shouted "Church and King", they now shout for "Adidas and Nike." The pursuit now is for appearance, possessions and brands, rather than meaningful relationships, where the father is influential. He may well now be absent. We must all reflect on, and then tackle, these questions of value and culture.

7.21 pm

Kerry McCarthy (Bristol East) (Lab): Thankfully, the trouble in Bristol this week was not on the scale of that in London, Manchester and the midlands, and was not a repeat of the disturbances in Stokes Croft in Bristol, the so-called Tesco riot of a few months ago. It was for the most part an aimless copycat effort, although still very frightening for communities, who saw gangs marauding through the streets and setting fire to cars and bins. Having seen the television footage of what was happening elsewhere, the local community feared the worst, of course.

I congratulate the local police on how they kept the situation under control. That has to be the priority, to ensure that the public are kept safe and can get on with their lives. I am, however, concerned about some of the measures being proposed as ways of supposedly keeping them safe. We have heard that water cannon would be difficult to deploy, and completely ineffective where there is a swiftly moving crowd, and Sir Hugh Orde has warned against the use of plastic bullets. I am concerned that calls for such measures are distracting from what we really need: a visible, reassuring, on-street police presence, and people in charge of local policing who know what they are doing—not the shallow populism of an elected police commissioner, and not cuts to front-line police services.

The actions of the mob in London, Manchester, Bristol and elsewhere were mindless, criminal and inexcusable. Every time I see the YouTube clip of the injured Malaysian student being mugged by those purporting to help him, it seems more brutal, more depressing and more soul-destroying to think that people could act in such an inhumane way. However, the role of we politicians is not just to condemn. We will, of course, be pilloried by some if we try to understand, and if we dare to move beyond simple condemnations of thuggery and criminality, which are so easy to utter. However, it is our responsibility to try to prevent this from happening again, and not just in the short-term sense of policing our streets and keeping our communities safe. If we take that responsibility seriously, we need to have the political will and courage to persevere with policies that only reap rewards in the long term and perhaps sometimes do not reap rewards at all—policies that are resource-intensive and sometimes unpopular with voters who cannot understand why we are spending money on the "undeserving."

I am talking about investing in people's lives and futures. I am talking about intervention—about what some would decry as the nanny state. I am talking about schemes such as Sure Start, trying to give kids a better start in life and help their parents be better parents, and the family intervention projects, working with the most problematic "problem" families, addressing issues including alcoholism, drug addiction, mental health problems, domestic violence and criminality, and trying to break the cycle of deprivation and despair. They are about as far from a political quick win as we could get, but it is very important that we continue to take such steps. I am also thinking about schemes such as the education maintenance allowance, encouraging kids from poorer backgrounds to share the same aspirations as those with an easier start in life, and funding the work in local communities by groups such as Kids Company.

I am old enough to recall the way the inner-city riots in 1981 lit a spark in other towns, including my then home town of Luton. Indeed, I lived in Toxteth for a time as a student in the aftermath of the riots there. I saw a generation written off by a Government who did not believe in intervention and thought people should be left to fend for themselves. I urge this Government not to repeat the mistakes of the past Conservative Government, and instead to devote resources to trying to ensure that people's lives now do not turn out the way their parents' lives, and those of the generations before them, did.

7.24 pm

Sir Paul Beresford (Mole Valley) (Con): My constituency was not hit by any rioters—and may it remain so—although we supplied police and so on, but I have considerable professional and political experience, over years, of the

inner cities. I had great sympathy with the hon. Member for Hackney North and Stoke Newington (Ms Abbott) when she spoke. She is right: very few of the young and of the youth were involved. I would expect that. However, this takes me back to when I was in education in an inner-city area, looking at some of the special schools we had, including a very special school for very difficult youngsters. It is as well that the Secretary of State for Education is here, because I have him nailed to the seat and I can raise the issue.

At the bottom, the people who feed the gangs are the very young, and they are feral. We are talking about parenting, but they do not have parents—or not what we would call parents. The father has gone, or the mother, or both, or drugs and so forth are involved, so they are not what we would call parents. In some cases, even if the parents try, they are physically abused by their children. Those are the sort of children in some of these schools and, in particular, I have been talking to one of the teachers who helps to run one of the schools for these little and not-so-little monsters. She tells me the conviction method we must introduce has to break up that social life pattern. She says they must be forced for several months—perhaps years—to attend a really tough school or undertake real community service from 8 in the morning to 6 at night, preferably for seven days a week, and that they are otherwise to be at home with an electronic tag, under a curfew. They should have no mobile phones, no BlackBerrys, no lying in bed, no mixing or drinking with their gang mates and no shop-lifting or shop thieving, for either sport or supplies. In other words, we should disrupt their social networking and perhaps give them some education, hopefully, while obtaining some real community work from them, if we can.

That will cost money, but it just might help. It might give a break. If we can do that at the bottom—some Opposition Members who have had the same experience as I have will recognise this—we will start to stop feeding the gangs in our inner city and to stop them spreading.

7.27 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I think the public will approve of the measured tone of many of today's contributions.

Many constituents contacted me to say that they did not want to see point scoring. Let me mention just two. A woman called Jenny Ellis said that the public want a resolution of this crisis. She went on to say that I should feel free to give the Prime Minister a hard time on police budgets in the future, but for now we should concentrate on reclaiming the streets and dealing with these criminals. A vicar's wife who helps lots of less fortunate people in my constituency was clear that this is not about disadvantage but wanton vandalism and theft. She is also a magistrate who will be sitting on Friday and she wants our support for the courts to take a robust line with these offenders.

I will not argue that everyone should get a custodial sentence, tempting though that is, but we will let the public down if those with previous convictions are bailed or if those granted bail commit further offences. I was shocked to read in the *Birmingham Mail* that one of the first rioters to be sentenced, for assault on a prison officer, got 10 weeks, of which he will probably serve five.

As we move on from these disgusting scenes, we must be conscious of the risk if there is a perception that the police are being criticised or undermined. Police officers marching and protesting and a perception of conflict with the Government do not raise the status of the police in the public mind. I do not agree with the Government's plans for the police, but I urge them to try to seek agreement and avoid a stand-off. The last thing we need is a demoralised police force. A justice system that is perceived as soft will only embolden and reinforce the mindset of those who think the police are fair game and that nothing much will happen to them if they are caught.

I have just been contacted by some constituents who had their cars wrecked in a pre-riot orgy of vandalism. The sentences imposed on the perpetrators do not cover the damage, and the court made no compensation order. It is simply not good enough.

I join Members in all parts of this House in calling for support for the police. We must stand up for the victims of crime and support tough, deterrent sentencing. Vicious criminal activity and lack of respect for other people and their property simply cannot be tolerated. We must make clear that our No. 1 priority is the rigorous enforcement of law and order.

7.30 pm

Andy Burnham (Leigh) (Lab): We meet today as the country reels from the senseless and sickening scenes that it has seen. People's feelings are raw, and the full enormity of events is only just sinking in, but at least Parliament has today begun to give voice to people's concerns. It has articulated clearly the majority feeling in the country that this was a mindless spree of violence for which no excuses can be made, and which must be dealt with severely.

We have made a start on the long and difficult task of rebuilding communities shattered by the experience, bridging the divide between the generations, and bringing the country back together. For thousands of people, this has been the worst and most terrifying week of their life. Some have seen homes and businesses lost or damaged; others have felt real fear on the streets where they live, perhaps for the first time. Many of them will have been watching our debate today. They will have heard powerful contributions from my right hon. Friends the Members for Tottenham (Mr Lammy), and for Croydon North (Malcolm Wicks); from the hon. Member for Croydon Central (Gavin Barwell); and from my hon. Friends the Members for Birmingham, Ladywood (Shabana Mahmood), for Lewisham East (Heidi Alexander), for Manchester Central (Tony Lloyd), for Liverpool, Wavertree (Luciana Berger), and for Hackney North and Stoke Newington (Ms Abbott), to name a few.

I hope that in the powerful words of those speeches, the people watching our debate have heard echoes of their own thoughts—things said that they feel needed to be said. It is small comfort, but perhaps they will end today with at least some sense that somebody is listening—that they are our priority. They must remain so over the coming weeks until Parliament resumes.

Barry Gardiner (Brent North) (Lab): Does my right hon. Friend share my hope that when Parliament resumes, those hon. Members whose constituencies have been

[Barry Gardiner]

affected but who have not been able to engage in this debate due simply to lack of time today will have a chance to revisit the issue and put on record their constituents' concerns, including about their livelihoods, which have been threatened?

Andy Burnham: It is vital that hon. Members have that opportunity, as my hon. Friend suggests. The issues will not go away once the media crews depart, as my hon. Friend the Member for Hackney North and Stoke Newington said. People in the communities concerned will live with the issues for some time, and it is vital that we follow the matter through. As my right hon. Friend the Member for Salford and Eccles (Hazel Blears) said, we need to stand side by side with the communities affected. She spoke for not just her constituency, but every proud and right-minded person in Greater Manchester, and I thank her for what she said.

For the most part, the contributions have been well judged. They have avoided political point-scoring, self-serving or simplistic arguments, or excuses; people quite simply do not want to hear that. Instead, we must all focus on the job in hand, on a practical response, on lessons learned and on serious reflection on the deeper reasons why this happened. We have made a good start today on that task, and have sent a number of unambiguous messages. The first, to the courts and the legal system, is that all Members of the House expect them to bring the perpetrators to justice quickly and without leniency. The second message today, which is to the police, fire and ambulance services—and indeed, as my hon. Friend the Member for Hackney North and Stoke Newington said, to unsung public servants such as council workers and youth service workers—is that we deeply appreciate their efforts in recent days to protect our communities, and that they will have full backing from across the House for an uncompromising response, should problems recur. Thirdly, we have sent a message to the victims of the appalling crimes.

Siobhain McDonagh (Mitcham and Morden) (Lab): Does my right hon. Friend agree that it is the fear that has been so shocking—the fear felt by my constituents in Mitcham and Morden and people across London? Now is not the time to withdraw those police, fire and council officers; they need to stay in their places and bring back reassurance for many of our communities.

Andy Burnham: My hon. Friend is right. Communities that have been affected will only just be coming to terms with what has happened, and they need to see people standing with them in the days and weeks to come to ensure that they can rebuild their lives and their communities. We need to send a message from here today to those people who have been the victims of crimes, and have felt that fear. The message is that this House is united in ensuring that they receive practical and financial help without delay to rebuild homes, businesses and communities. Encouraging statements have been made today by the Prime Minister. We thank him for what he said, but he will expect us, as the Opposition, to ensure that these words are followed through, and we will indeed do that.

Today has been important because, one after another, Members on both sides have sent a message to the young people of England—a message that may not always come through to them from the media debate on these issues. Every single Member of the House meets decent and conscientious young people week in, week out. The vast majority are making a positive contribution to their communities. Indeed, they have been doing so this week, helping with the clean-up operations around the country. We simply will not allow a senseless minority to sully the reputation of our young people, divide the generations one from another or make them fearful of one another. We must also pledge to work hard to ensure that the voices of young people are heard in this debate as it unfolds. Perhaps with the inquiry that the Chairman of the Home Affairs Committee has announced, we must ensure that their voices are heard in shaping the response to these events.

In the aftermath of any serious event, it is right that we all reflect on the circumstances and, where necessary, learn lessons. A number of issues have been raised today on which we hope that the Government will reflect. First, questions relating to the operational resources and guidelines for the police have been raised by many hon. Members, including the hon. Members for Ealing Central and Acton (Angie Bray) and for Battersea (Jane Ellison) and my hon. Friend the Member for Birmingham, Northfield (Richard Burden).

Acts of mob violence or vandalism are not new. I saw them myself at football grounds in the 1970s and 1980s. What is new is the speed with which crowds can gather and copycat violence can spread across a city and into other cities. That is a modern phenomenon made possible by the misuse of communications technology. Policing needs to change to respond to it. As my right hon. Friend the Member for Salford and Eccles said so powerfully, we simply cannot have a situation in which police officers have to stand by and thugs take control of the streets. So we urge the Home Secretary to work with ACPO on this, as she said she would in her speech. We also ask her to think again on the question of police numbers, which was raised by so many hon. Members this afternoon, and not in a point-scoring way. We heard these points raised by the hon. Member for Croydon Central and in a powerful speech by the hon. Member for Northampton South (Mr Binley), who called for a review of this issue.

People in London will have noticed the divergent statements made by the Mayor of London and Ministers. It seems premature for Ministers simply to rule out any extra funding. It is not just about the Met. Cuts to frontline policing are happening all over the country, and people in other parts of the country know that shortages in the Met are filled by forces elsewhere. Rather than dismissing calls for funding to support police numbers, would it not make sense for the Government to reserve their position until they have received a detailed report from the acting Commissioner of the Met and from chief constables of other forces affected on the operational challenges that they faced in the nights earlier this week?

My appeal to the Secretary of State, the Prime Minister and his Cabinet is not to announce a U-turn here, but at least to have an open mind on the question of police

numbers and to consider looking again at the resourcing of our police forces when they have a clearer picture of the pressure they have been under this week.

Secondly, there are questions about the resources and capacity of our courts and prisons. We appreciate the efforts of court staff to hear cases—indeed they have sat through the night, as many hon. Members have mentioned. We want that to continue. There must be no return to business as usual or long delays before people stand trial. We welcome the report in the *Manchester Evening News* which shows how the courts are cracking on with the job of delivering instant justice. That is indeed what the public want and we urge the Government to find the resources to make sure that people are brought to trial. As my right hon. Friend the Member for Blackburn (Mr Straw) said today, the Government need to look again at the number of prison places, and at sentencing policy to ensure that it reflects the mood of the House, and indeed the mood of the whole country. We urge them to do that.

Thirdly, points have been raised today by my right hon. Friend the shadow Home Secretary about the Government's approach to tackling antisocial behaviour and the use of CCTV. In the early days of the Government, a change of policy was signalled, away from the use of CCTV, antisocial behaviour orders and the DNA database, but, as we have seen, CCTV is being used extensively to bring the perpetrators of violence and vandalism to justice. Listening to the Prime Minister today, I detected a different tone on these issues, and I welcome that change of tone. We welcome his recognition of the value of CCTV and the reassurance it can bring to many of the communities affected this week. We will continue to seek assurances that the Government will not hinder its use by local authorities. The Government need to take care that they do not send mixed or confusing signals in the whole area of tackling antisocial behaviour.

Fourthly, concerns have been raised today about the advice and support available to young people. Let me be clear: nobody rioted because of cuts to youth services, Connexions or the careers service, yet all those services have an important role to play in the response on the ground to rebuilding shattered communities. Youth workers are front-line prevention in many of our communities. The Home Secretary mentioned the work she wants to put in place to tackle gang culture, and I welcome what she said. However, it is important to recognise that youth services in parts of London and other cities have been working painstakingly for many years to prevent young people from falling in with gangs, yet as the Select Committee on Education recently reported, there is a significant loss of youth service support on the ground, with cuts of up to 100% in some areas. I urge the Secretary of State for Education to look carefully at what the Select Committee said.

Questions were raised in the debate about parenting, which is an issue that unites the House. We support parents, particularly young single parents, in giving the best possible support to their children. Following the Allen and Field reports, I urge the right hon. Gentleman to be vigilant about changes to the support offered through Sure Start and other early intervention services so that we ensure that valuable services for parents are not lost.

Schools have an important role to play, as many hon. Members said today. I again assure the Secretary of State that we will continue to support the measures in his Education Bill that improve the tackling of discipline in schools. I give him my word on that, but I ask him to look at some of the things we did that are working, such as the use of school-based police officers, who are very important in building links with young people to ensure a steady flow of information between them and the police. I urge him to reflect on that.

As our debate has revealed, the challenges we face are complex and must be approached on many levels. My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) was right to draw a comparison with the early 1980s, when Michael Heseltine went around the country to engage deeply with the issues that affected people. I hope the Government will think about that and about the calls they have heard today for a deeper commission of inquiry on the issues, alongside the Home Affairs Committee inquiry.

That will help us all to avoid simplistic solutions to fit a preordained political narrative. For the left, it means not blaming everything on cuts. For the right, it means not demonising an underclass. It also means taking care in the language that is used. I do not think any part of this country is sick or broken. Every community has solidarity, decency and neighbourly spirit in it, with people trying to do the right thing. Every community has the capacity for self-improvement. We should support them, not knock them down and label them.

As the hon. Member for Northampton South said, addressing the deeper challenges means a deeper assessment of our society. In a powerful contribution, my right hon. Friend the Member for Tottenham spoke about challenging the "Grand Theft Auto" culture that glamorises violence, and I entirely agree. We need a culture of responsibility in our schools, but we also need to face up to the fact that for all the progress we have made, our country is still scarred by serious inequality of opportunity, where life chances are unevenly spread and young people without social networks and connections often struggle to make their way in the world.

We need to consider those questions, but they are for another day. It has been a dark week, but the country should draw strength from the unanimity that the House has found today and, indeed, our dedication to respond collectively in the right way. At the close of the debate, it is right to pause for a moment to think of those who are recovering from injuries sustained, and particularly the families of Mark Duggan, Haroon Jahan, Shahzad Ali and Abdul Musavir. As we go away from here this evening, back to our families, we should do so with the words of Haroon's father at the front of our minds and the hope that we will find in the days and weeks ahead the same unbelievable strength, understanding and courage to deal with these events as he has shown.

7.45 pm

The Secretary of State for Education (Michael Gove): We have had a very good debate today, and the speeches of hon. Members on both sides of the House have been of a uniformly high standard. The contributions made by hon. Friends and other hon. Members have made me proud to be a Member of Parliament. It was a vindication of your decision, Mr Speaker, to recall the House.

[Michael Gove]

In the past 15 months, Parliament has resumed its central place in the life of the nation, and the House and its Committees have done superb work. Once again, today, Members have faithfully reflected their constituents' concerns and spoken in a way that enhances the reputation of the House and electoral politics.

I am particularly grateful to hon. Members from Lewisham, Enfield, Ilford, Ealing, Wolverhampton, Hackney, Tottenham, Battersea, Bristol, Liverpool and Manchester for their speeches, which reflected their direct personal engagement with those who have been victims of this terrible week. The fact that they all spoke with such force and eloquence underlines the fact that we have Members who listen and are in touch, who act and then report back and who analyse what has gone wrong and argue for a better country. In that sense, when I hear calls for a commission of inquiry, I take the old-fashioned view that Members of Parliament are inquiring into the state of the nation, reporting back to the House and arguing passionately for change and that we should always stress that there is no better voice of the nation than this Chamber, and it has never done its job better than at the moment, reflecting the anger but also the hope of our constituents.

Barry Gardiner: Despite what the right hon. Gentleman has just said, does he understand the concern not just in the House but across the nation that a public inquiry should be held into the events that have gone on? This has been a national event; it has affected people in every part of the country, and if it is simply left to a Select Committee, they will not feel that it has been properly addressed.

Michael Gove: The point was made constructively, and I hope to respond in a constructive fashion. I will not rule anything out at this stage. We are still in the middle of restoring order. It is vital and appropriate that we show ourselves open to learning lessons, but I absolutely have confidence in the right hon. Member for Leicester East (Keith Vaz). The Home Affairs Committee has done a great job in the past 15 months, and he will do a superb job. The terms of reference of his inquiry seem to be broad and comprehensive. But, of course, lessons will need to be learned, and while we are in the process of restoring order it would be premature for any of us to say that our minds are closed to any constructive suggestion about what we can learn.

Jeremy Corbyn: Will the right hon. Gentleman give way?

Michael Gove: Not yet.

I should like briefly to refer to four particularly outstanding speeches that were made during the debate, the first of which came from the right hon. Member for Tottenham (Mr Lammy). The points that he made resonated. From the moment that Mark Duggan's tragic death came on to our television screens through to the horrific scenes that we saw over the weekend, the right hon. Gentleman's voice has been one of common sense and moral clarity at a difficult time. His speech again today was superb, when he pointed out that the vast majority of young men did indeed show respect and restraint through the past week because they have grown up with a male role model, a moral code and a recognition of boundaries. He made the critical point that our great cities of course rely on our police forces, but ultimately order is policed by individuals who show pride, shame and responsibility to others. I could not have put it better myself.

I also agree with the sentiments expressed by the hon. Member for Lewisham East (Heidi Alexander). I share her sorrow at having to come back to this House from her honeymoon, but I have to say that, even though her husband may be disappointed, her constituents should be proud of her for the speech she made today. She pointed out that the riots are a result of disaffected and marginalised youth who have grown up in households where no one gives a damn, where violence is glamorised and where there is real poverty, particularly of responsibility and aspiration. It was a superb speech and she has done a great job for her constituents.

My hon. Friend the Member for Enfield North (Nick de Bois) drew a vivid and affecting picture of how one of London's most attractive suburbs could be convulsed by violence, as individuals intent on wrongdoing took to the streets in the most wicked of ways. He asked detailed and constructive questions about the roles that the local authority, schools and TFL can play in making sure that our response to future events is sharper. We will write to him to ensure that his constituents' concerns are addressed.

My hon. Friend the Member for Battersea (Jane Ellison) made a brilliant speech, in which she spoke up with passion on behalf of her constituents, pointing out that, for all those young people who picked up a brick in anger or greed on the night that violence gripped her constituency, there were many, many more who picked up a broom in optimism and hope the next morning. That underlines what the past week has shown: both the worst and the best of our country.

We see the worst when a 31-year-old man who is a learning mentor in a primary school, whose job is to inspire the young, is found guilty of burglary. We see it when a daughter of a millionaire couple who had the best education the state can provide becomes, it is alleged, a getaway driver for two other young criminals. When we watch the video of a young boy, who travelled across the world from Malaysia to study in this country because he saw us as a civilised community and a place of hope and learning, apparently being helped up, only to be robbed, all of us are sickened and ask: how can this happen in our country? When we think about the Sri Lankan couple, who fled civil strife in their own country to come here and build a life and a business, only to see their business trashed by criminals, or when we think of Salford town centre, which has been regenerated by an imaginative town council and a great MP, sent back a generation in one night by the violence of thugs, we all ask ourselves: why has a culture of greed and instant gratification, rootless hedonism and amoral violence taken hold in parts of our society?

Even as we despair, we can hope, because we have also seen the best of Britain this week, such as the volunteers mentioned by many today who took part in the clean-up operation immediately afterward. The hon. Member for Hackney North and Stoke Newington (Ms Abbott) made the vital point that local authority officials, officers and workers have done an exemplary

job, not least in her own constituency, where the mayor of Hackney, Jules Pipe, has shown real civic leadership. The way in which people who take pride in their community worked hard the next day to clean up the mess that had been created by an amoral minority was, to my mind, the very exemplar of public service. Also, let us not forget the work of the fire and ambulance services, who, alongside the police, risked life and limb to restore order and to ensure that people were safe.

We should take pride in the way in which multicultural Britain rose to this unique challenge: the Turkish citizens of Dalston who defended their families and businesses; the Sikh citizens of Southall who defended their gurdwara and their families; and the British Muslim citizens of Birmingham who sought to defend their communities. When three of them were mown down by one evil individual, we saw the best and the worst of Britain clash in one moment. All of us were moved beyond words by what Tariq Jahan said about the death of his son and the lesson that we should learn. We have seen modern Britons across this country stand up for old-fashioned British values of decency, solidarity and a determination to protect the vulnerable. If there are examples that we should bear in mind in this House and in our work in the weeks ahead, it is the leadership that those individuals have shown.

As well as seeing the best and the worst, we have witnessed a conflict on our streets between right and wrong. Those who have been committing these acts are individuals without boundaries, respect for others, or any moral sense. Those who were standing out against them and protecting us were the police. Let me pay tribute to the courage that has been shown by ordinary officers in the course of this week. Their leave was cancelled. Many of them have been working with very little sleep, facing the prospect of real violence and damage to life and limb, yet have uncomplainingly gone out there to protect us. We can be proud of those officers and the commanders, who have had to take terrible risks but who have ensured that for the moment order has been restored.

We heard how borough commanders from Hackney to Wandsworth and Ealing to Redbridge have ensured that the reputation of the Met, having taken a battering in recent months, is once again restored as a force that we can all take pride in. The chief constables of west midlands and Greater Manchester, faced with tremendous challenges, have also shown courage and imagination. We should applaud their bravery. Yes, there will be lessons to be learned. Yes, inevitably, in a difficult situation, when there was no intelligence of what was going to happen, mistakes will have been made, but how many of us could show the same degree of courage and resolution, faced with young men bent on violence and determined to cause havoc, when we knew that if we stepped out of line or transgressed the rules, we could find that our own life, livelihood and reputation were gone? Let us remember just how difficult modern policing is, before any of us casts a rhetorical stone at any of those individuals.

There were, across the House, widespread expressions of support for the police and for a more robust stance in the future. Having talked to a variety of police officers over the past week, I know that the sentiments expressed in the House go with the grain of policing opinion. My hon. Friends the Members for Ealing Central and Acton (Angie Bray), for Beckenham (Bob Stewart), and for Ilford North (Mr Scott), the hon. Member for Lewisham East and the right hon. Member for Salford and Eccles (Hazel Blears), all of whom encouraged the police to take a more robust stance, will find and have found a willing audience in those who are responsible for deploying the forces that maintain order.

Both my right hon. Friends the Prime Minister and the Home Secretary agree. I have been privileged to spend time attending the Cobra briefing meetings over the past week, and I have seen the degree of willing co-operation, energy, imagination and determination on the part of both the civil powers and the police to deal with the situation that we faced.

Of course there are suggestions from hon. Members about things that we might consider in the future. I was particularly struck by the powerful speech from my hon. Friend the Member for Kettering (Mr Hollobone) who, speaking as a special constable, made a strong case for the deployment, if necessary, of water cannon. Let me underline to the House that the operational requirements of the police will be met in full by the Government. If they need support or help, they will get it. Yes, it is the Home Secretary's ultimate decision whether a police force can use water cannon, but if any chief constable considers it appropriate to deal with any aspect of civil disorder, this Home Secretary has made it clear that she is on their side, and I hope the whole House will be. Mercifully, those steps have not needed to be taken, and our tradition of community-based policing by consent has seen our police force restore order to our streets with the help of our communities.

As we look at the way in which the police operate, it is important that we do not back-pedal on reform. Our police are still held back by a legacy of bureaucracy that I know all of us on both sides of the House want to tackle. There are still 1,000 process steps and 70 forms to get through when they are dealing with a simple burglary. Twenty-two per cent. of police time is spent on paperwork. Jan Berry, the former head of the Police Federation, has pointed out that one third of police effort is over-engineered, duplicated or adds no value. We can reform our police force in order to ensure that the officers we have are there on the streets where we need them, and this should be a cause that unites us across the House in a determination to ensure that police professionalism is respected.

But as the right hon. Member for Tottenham pointed out earlier, when we want our streets policed, we need them to be policed as much by the moral self-restraint of individuals as the uniformed presence of officers, and that means that we need to affirm at this time the values that we all know have been overlooked or neglected in the past. We all know that a culture of dutiless rights has led to a generation of parentless children. Being a father means taking on the most important job in the world, and those who are there when a child is conceived should be there when a child is raised. We need to remember: I am my brother's keeper. We have a responsibility to others, and all of us find a fulfilment in service that is greater than anything that can be found in shallow hedonism or instant gratification. We need to say to the young people of this country—and the overwhelming majority know it and want to hear it affirmed—that hard work, self-discipline, aspiration, respectability and respect for others, the values by which

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they lead their lives, are the values that we will defend whenever and wherever they come under attack. I am so grateful that so many Members from both sides of the House have affirmed those principles tonight—

8 pm

Motion lapsed (Order, this day).

ADJOURNMENT

Resolved, That this House do now adjourn.—*(Miss Chloe Smith.)*

8 pm

House adjourned.

Westminster Hall

Tuesday 12 July 2011

[MR ROGER GALE *in the Chair*]

Train-building Industry

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mrs Villiers.)*

9.30 am

Mr Roger Gale (in the Chair): We commence with a one and a half hour debate on the future of the UK train-building industry. Six hon. Members in addition to the securer of the debate have indicated that they wish to speak, and I propose to call the Front Benchers at half-past 10 o'clock. Hon. Members may wish to do the maths and work out that if they allow themselves not more than six minutes each, we should accommodate everybody who wishes to participate.

9.31 am

Nigel Mills (Amber Valley) (Con): It is a pleasure to serve under your chairmanship, Mr Gale. I shall try to be relatively brief on this important topic. I am grateful that we have the chance to debate and question the Minister on the future of the UK train-building industry, especially with reference to the recent award of preferred-bidder status for the Thameslink contract to the Siemens consortium, rather than the Bombardier one. It is of great interest to people in the whole Derby area, not least in my constituency of Amber Valley, that we get to the bottom of how the contract came to be awarded to a German rather than a UK-based manufacturer.

Anna Soubry (Broxtowe) (Con): I congratulate my hon. Friend on securing the debate in what has been a very difficult time for Derby and Derbyshire. Does he agree that the decision also has an impact on constituencies such as mine, which are as far from Derby as I think Amber Valley is? It has had a profound effect and caused a lot of anger among my constituents, as well as, no doubt, my hon. Friend's.

Nigel Mills: I am grateful for that intervention. I suspect that part of my constituency is a bit nearer to Derby than my hon. Friend's, but I accept that we are all in the same area and that we have people who commute to work at the Bombardier plant and work in the many support industries in the area and who are threatened by the decision.

It is worth starting by saying that the area has a proud history with the railway industry, ranging back to the beginning of the industry in the early 19th century—I believe that production began in Derby in about 1839. The Midland Railway Centre is in my constituency. It is a tremendous attraction and I urge everyone to come to visit it, but the last thing we want is for our whole railway industry to become a museum. We want a thriving and growing train-building industry. We have had a thriving and growing train-building industry. Passenger numbers have been up year on year for ages and we expect that growth to continue. There is no reason why we cannot have a viable industry in the UK if the Government support it.

I want to cover two areas in my speech. The way to help to preserve and enhance the train-building industry would have been to give Bombardier the Thameslink contract in the first place. I want to talk about whether there is any way that the Government can still reconsider that decision. We are only at the preferred-bidder status stage and have not signed on the dotted line for the whole contract, so I think there is still scope for that to happen. I also want to look at how we can go forward in a better way to procure such contracts more sensibly, so that there is a level playing field and our only UK train-building company has a fair chance of winning contracts. That may not be how we see the current process.

The award of preferred-bidder status on the Thameslink contracts to the Siemens consortium rather than the Bombardier one has led many of my constituents to think that the Government have taken leave of their senses. We have rightly spent the past year talking about the need to focus on the manufacturing sector to provide the skilled jobs we need and to rebalance the economy away from London and the south-east. My constituents have told me that they thought that that meant the midlands and the north, not Germany.

The industry is very skilled, with a huge number of skilled jobs of exactly the kind that we want to attract. The award of this huge £1.4 billion contract to Siemens rather than Bombardier means that we are talking the talk, but not walking the walk. Frankly, my constituents cannot understand why we do not spend taxpayers' money in a way that produces the overall best benefit to the economy of the UK as a whole and the Derby area. We now risk losing not only the 1,000-plus jobs at Bombardier, but the jobs in the supply chain, which are much harder to quantify at this stage.

My first question for the Minister is this: can the Government reconsider the decision? If not, would she help us to understand exactly why not? We know from Government answers and statements that their view in simple terms is that all they could do was open the submitted bids, compare them to the tender specifications drawn up by the previous Government, work out which one was the most economically advantageous and award the contract. The Secretary of State for Business, Innovation and Skills has commented that the specifications were very narrowly defined and there was almost no doubt who would win.

We understand now that weighting for overall socio-economic considerations was not included in the specifications. Had that been included, it may have allowed the Government to take into account the overall impact of the job losses, the loss of tax revenues, the benefits they will need to pay out and the overall knock-on effect on the economy. We would all much rather that those things were included in the specifications. Can the Minister confirm that that weighting was not included in the contract?

Having realised that, did the Government consider restarting the whole process and saying, "We got the specifications wrong, and if we are to spend £1.4 billion of taxpayer and passenger money, let's get it right and spend the money properly"? Did they look at doing that? Could they have done it? If not, why not? There is a lot of concern that we are going ahead with so significant a contract, with such significant implications, when the Government do not even seem to think that

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the procurement process has been handled properly or included all the conditions that ought to have been included.

One reason why Bombardier has concerns is its record with Department for Transport procurement processes. It can win contracts worldwide. It can even win contracts to build trains in Germany. It can win contracts with everybody else in the UK. Out of the 14 bids it made for contracts from operating or rolling stock companies, it has won 11, but out of five bids where the DFT was running the process, it has won none. Is that just bad luck or does it suggest that there is something wrong with how the DFT procures the contracts? Do the Government think that huge DFT contracts are the right way to go about train procurement or should we look at letting the operating or rolling stock companies, which have great experience running such things, be in charge of the process? There is a suggestion that the very structure of the tender process made it hard for Bombardier to win. The phrase used was "bundled design, build, maintenance and finance" commercial structure—I find it difficult to get my head around that mouthful.

It was not a case of looking for someone to build trains and sell them, but a case of awarding a contract for someone to build, provide and maintain trains and keep them on the tracks for the best part of 30 years. It is a hugely complex financing exercise. I am not sure whether we were looking for a train-builder or a bank. One suspects that it is much easier for a huge multinational, diversified conglomerate with a brilliant credit rating to produce the cheapest bid, rather than the group that can build the best trains. I do not know about other hon. Members, but I am not sure that I can predict where I will be in 2045. I will be 70 years old, and I hope I will be getting a state pension by then, but I am not totally convinced of that. It is scary to think that these train carriages will be retired after me, but that is how long we are talking about.

The contract is to maintain the trains and keep them on the rails until 2045 or thereafter, which is a hugely difficult thing to do. How many of us can predict what the currency of many EU nations will be even in a year's time? How many of us can predict how many major banks will still be solvent in a year's time? And yet, we are asking the train-builders to come up with a finance package that in effect runs for that long period. How can they do that cost-effectively? The process started in 2008 and the state of the banks was even worse then than it is now.

Many hon. Members are concerned that the private finance initiative resulted in taxpayers paying people to borrow far more expensively than the Government could, and we ended up having to pay for that for 30-odd years. Is there not a risk that that is what we are doing with this? We are in effect locking people into a hugely expensive way of financing something, but if we did it better there might be a cheaper way.

I looked at some of the original tender documents from 2008, and there was an interesting presentation to interested parties in the "Commercial and Financial Overview". On the financing side, it states:

"Consistent with HMT best practice, the Department will reserve the right to hold a funding competition".

Have the Government considered that? If the financing costs made it hard for Bombardier to compete in the award of preferred-bidder status, did the Government think, "Actually, financing is a very risky thing for anybody to try and do for this long period. Should we take that out of the process and tender it separately?"? That might have been worth considering.

The same presentation outlines that the accreditation process structure had a weighting of 40% for business excellence and approach, and 60% for technical capability and experience. I do not know whether those weightings were used in the final process, but if they were, it would be interesting to understand how. We would all like to understand exactly how close these bids were. Where was Siemens stronger and where was Bombardier stronger? I fear that the answer to that probably involves hugely sensitive commercial data that the Minister cannot release today. We want people to understand why we are spending taxpayers' and passengers' money in this way, but it is hard to explain the process when we cannot access the full details.

One matter that has been raised—it would be helpful to have some clarification on this—is the lightweight bogie that will be used in the contract. For a contract that Siemens won in Germany, it had to use Bombardier's bogie, and there is a joint contract in place for that. I understand—I cannot find any evidence for this on the internet—that Siemens has not managed to produce, test or bring into operation anywhere a lightweight bogie. The German train industry was not desperately keen to have its trains experimented on and tested, and therefore Siemens has used the Bombardier-made bogie to ensure that it gets the reliability from scratch. Frankly, such a situation seems a little perverse. The Germans give a contract to a German train company but they are not willing to have their trains experimented on, and we end up awarding a contract to a German train company for our trains to be experimented on rather than awarding it to the UK company that could have used its bogie, which it knows works.

Anecdotally, one of the attractions for Siemens was mentioned by the UK chief executive of Siemens rail industry operations, Steve Scrimshaw, in an interview with *Rail Professional* in March this year:

"A lot of the DfT's scoring is around deliverability and our trains work straight out of the box."

Interestingly, that same article goes on to talk about the problems that Siemens has had delivering trains into Scotland, where they have not worked straight from the box and their entry into service was delayed by ScotRail until it could resolve some of the technical issues. It is not the case that Siemens delivers and works perfectly every time, and that Bombardier does not. The fact that Bombardier can win contracts in the UK and around the world shows that it probably has a similar quality of delivery to Siemens.

In light of those issues, the key question for the Government is this: can they and will they reconsider this decision before the contract goes to final status? Some of the concerns about the procurement process that I have set out have led my hon. Friends the Members for Mid Derbyshire (Pauline Latham), for South Derbyshire (Heather Wheeler) and for Erewash (Jessica Lee)—she sadly cannot be here today—and I to ask the National

Audit Office to review this procurement process and examine whether we are getting the most economically advantageous position for taxpayers and passengers.

There are doubts whether the DFT is very good at handling these processes based on its experiences with the intercity express programme contract and this one. Let us be honest: this project was originally called Thameslink 2000, but these carriages might hit the tracks in 2015. That is not a tremendous procurement record. Is it right for the DFT to be handling these contracts? My hon. Friends and I have fundamental concerns about whether the right requirements were in the tender specification and whether we can come to the right decision. Therefore, there seems to be a strong prima facie case to have another look at the matter and ensure that we are spending £1.4 billion of taxpayers' money in the right way.

We can talk about the history of the process and this contract for as long as we like but, whatever happens on that, we need to get these things right in future. The fact that the past two major contracts have not gone to a UK manufacturer is bad enough but, if we are to sort this process out and keep the train-building industry in the UK, we need to start getting such things right and ensuring that there is a level playing field. Let us be clear that no one is suggesting that we want Bombardier in the UK to be a new British Leyland. Bombardier does not want that and absolutely no taxpayer would want that. We have a company that can build high-quality trains for the right price, and it should get the chance to do that. We want a process that creates a level playing field, and for a UK manufacturer to have a fair opportunity to win contracts to build UK trains in the same way that German manufacturers can build trains in Germany and French ones can build trains in France.

What kind of message are we giving to the people we want to invest and manufacture in the UK? It seems that if someone wants to win a contract to build trains for the German rail industry, they must build them in Germany, and that if someone wants to win a contract in France to build trains for the French rail industry, they must build them in France. However, if someone wants to win a contract to build trains for the UK rail industry, they can build them where they like. If an investor is short of money and considering which countries to invest in, what will their conclusion be? They cannot close the French or German plants because they know that they will not win contracts in those huge markets, but they could close the UK one.

Duncan Hames (Chippenham) (LD): I congratulate the hon. Gentleman on securing the debate. I hope he recognises that the issue goes beyond just rolling stock and that it relates to the whole of the rail supply chain. Does he agree that the key question is this: why does the German industry not have more penetration in the French market, and indeed, why does the French industry not have more penetration in the German market, if both those countries are interpreting EU procurement law in the same way as us?

Nigel Mills: I am sure that all our constituents are asking that question. If Germany and France do not open their markets, why do we open our markets so much? We all want a level playing field. If Germany and France are going to reward their industries, we may have little choice but to go the same way. The issue is not new, because the previous Government considered it in 2003. They commissioned a report on how the EU procurement processes were working to see whether there was unfairness or any inappropriate activity. As usual, the conclusion was that there was no clear illegality, but there appears to have been a slight distortion in the results. Interestingly, that report was written by the then UK chief executive of Siemens, Alan Wood. It is amazing how things come back round to bite.

Lorely Burt (Solihull) (LD): I congratulate the hon. Gentleman on securing this important debate. On the parochial protectionism of other countries, is it not the case that the UK is exceptionally successful in winning EU bidding contracts elsewhere? In fact, we come after only Germany in terms of the number and value of contracts that we win throughout the EU, so it works both ways.

Nigel Mills: I think that Germany wins 26% of the time when it bids, and we win about 14%. However, I am not sure that those statistics work when we are talking about major infrastructure projects that are of huge overall significance, rather than about some of the smaller ones. Frankly, across the EU as a whole, we are a hugely advanced economy, with all the high skills and the value added. Therefore, we expect the UK to be able to do things that other economies cannot yet do, and to be winning contracts. The key point is that thousands and thousands of jobs are at stake. We are risking those jobs by playing by the rules, but it seems that the Germans, French and others are not.

Let us consider the Eurotunnel procurement. That contract was awarded not to Alstom of France, but to Siemens of Germany, which must be doing something right. The French went mad and had a judicial review to try to challenge that contract, because they were so surprised that it had not been awarded to one of their domestic companies. We have to send out the message that we want to encourage our UK train-building industry, which is of huge value to us, and we want the Government to support it.

Perhaps we need to consider again how we go about procuring these train-building contracts. For many years, Bombardier has questioned how sensible it is to have a feast of contracts and then a famine. How does that enable it to be a sustainable, viable business? How does having to recruit and skill up to fulfil one contract and then lay people off and start again make a company cost-effective and ensure that we are getting the best price for our trains? How can Bombardier continually develop in the UK and improve its processes if it does not know from year to year whether it will have a viable manufacturing business in the UK?

Let us not set any hares running. We all hope that Bombardier will retain a strong manufacturing presence in the UK and that this will not be a fundamental threat. However, it is a significant contract, especially on the back of its not winning the intercity express programme contract. It would be helpful if the Government set out what other contracts they expect to award in the rest of this Parliament, and how significant their value may be. We know that Crossrail should be one contract. Many have raised the question whether the Government

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can now bring forward that Crossrail procurement in the hope that Bombardier can win it and try to protect jobs in the Derby area.

Some have suggested that the Crossrail contract is very closely linked to the Thameslink contract. The amount of cross-savings between the two might make it very hard for a company that does not have the Thameslink contract to deliver Crossrail competitively. Will the Minister confirm that that is not the case, and that it is open to the Government to award the Crossrail contract to a different provider?

Andrew Griffiths (Burton) (Con): I congratulate my hon. Friend on securing the debate. Bombardier is a major employer in my constituency, too. He has discussed the success of Bombardier and its ability to win contracts. Is he aware of the statistics that show that of 14 contracts that Bombardier bid for that were not related to the Department for Transport, it won 11, yet of all of the contracts it has bid for with the Department for Transport, it has won not a single one?

Nigel Mills: I am grateful for my hon. Friend's intervention. Had he been here from the start, he would have heard me quote those very same statistics. His point is valid, however, and he reiterates the question whether the Department for Transport is handling those procurements in the most effective manner.

I conclude by asking the Minister some questions about future procurement processes. Do the Government think that there is a need for improvement? Should the Department for Transport be handling them? Will the Department guarantee that the socio-economic benefits will be given some weighting in that process? Can the contracts be structured so that UK manufacturing industry has a chance of a sustainable, viable future? Can we look to structure those contracts in a way that gets trains built, and not look for the biggest bank we can find to underwrite 30 years' worth of financing?

No one should doubt that the train-building industry is of great importance to the Derby area and the UK economy as a whole. We have a proud heritage of train building. We can and should have an exciting future of train building. I urge the Government to do their bit to ensure that that is what we get.

9.52 am

Margaret Beckett (Derby South) (Lab): I congratulate the hon. Member for Amber Valley (Nigel Mills) not only on securing the debate, but on his excellent speech. In fact, my only criticism would be that he has left the rest of us with not very much to say. He has, effectively and well, used all the ammunition. Significantly, I think I am right in saying that—perhaps not so unusually in this Chamber, but unusually in this place in general—almost every hon. Member present is not here to attack or disagree. We are all here for the same purpose: to raise the concerns so ably set out a moment ago by the hon. Gentleman. If the Minister's Department and her ministerial colleagues were nurturing the illusion that this is a decision that would go away, that might be an error.

Cross-party interest in this issue has been clear this morning. All the Derby Members here—perhaps almost every hon. Member, as the hon. Member for Broxtowe (Anna Soubry) indicated—have constituents with considerable expertise in the rail industry. The plant in Derby is in my constituency, but we all know from our own constituents, wherever they may live, of the very real astonishment among rail industry aficionados. The people who know and understand, who have experience and expertise, are at a loss to understand and explain the decision, and the hon. Gentleman is entirely right to ask for an explanation.

The hon. Gentleman talked about the weight given to the different elements in the procurement process. Like him, I have seen the references that have been made—I believe that the Secretary of State for Business, Innovation and Skills made one of them. There was a story in the *Daily Express* over the weekend suggesting that this was a decision based on finance, rather than on the kind of trains in which, as the hon. Gentleman rightly identified, our constituents will be travelling for many a year to come. He identified the fact that in the original procurement process in 2008, the Department reserved the right to hold a funding competition. My understanding is that there were two further opportunities—in March 2010 and January 2011, when further steps were taken in the bidding process—when the Department could have triggered the right, which it had reserved, to look again and separately at the issue of funding, but it chose not to do so. That is a concern to all of us.

The hon. Gentleman asked whether we are looking for a train builder or a bank. As I understand it, Siemens has actually become a bank, which indicates the strength of its balance sheet, but is that what we are looking for? Certainly not, if we are talking about whether there is a future for the train-building industry in this country.

Heather Wheeler (South Derbyshire) (Con): I congratulate my hon. Friend the Member for Amber Valley (Nigel Mills) on securing the debate. We are talking about the future of train building in this country. The decision to make Siemens the preferred bidder is incredibly disappointing for all our constituents who work at Bombardier, but surely the most important thing is the way forward. The chairman of Bombardier is going out to South Africa with the Government to look at securing contracts out there. It is asking the Government to bring forward tube contracts by a couple of years, so that there is a future for train building in this country, and the college is opening up in Derby for rail contracts. We have great expertise in the area, and in the north-west too. That is where we need to go with this conversation. I am sure that, having heard my hon. Friend's conversation with the Minister, answers will be given, but we want to talk about the future, and the future will be train building in this country.

Margaret Beckett: I agree in part with the hon. Lady. I take her point entirely that we are really interested in the future, but let us not overlook the fact that we have barely started. The procurement process has not concluded. All that has happened is that a preferred bidder has been identified and negotiations have been opened. The hon. Member for Amber Valley referred to the intercity express programme contract. In the hands of the Department for Transport, that went to Hitachi, but the contract for that has not yet been signed. Indeed, just before the election the previous Government ordered

a review of that contract, and this Government have substantially renegotiated it. We are very far from the conclusion of this bidding process, so although I share the hon. Lady's view entirely that we should look to the future—I will come to that issue in a second—to secure that future we must not abandon the prospect of changing the present circumstances and the award of this contract.

One concern about the attitude that the company is likely to take relates precisely to the issue of opportunities for the future. If this procurement goes ahead, we may lose the opportunity of an offer made by Bombardier. As I understand it, it has decided at the highest level to establish a worldwide centre of excellence for the design and manufacture of new cars for high-speed trains, for future procurement—of exactly the kind referred to in the debate. Bombardier was prepared to site that worldwide centre of excellence in Derby. That offer was, in effect, thrown back in its face. That concerns me greatly. We would be talking about more jobs—jobs with even higher skills levels than we see now, and with the potential for new technologies. Although I and many in my party applaud what the Cabinet and the Prime Minister said in my Derby constituency about manufacturing, skills and the need to rebalance our economy, the skills base in our city is not just Bombardier; it is also Rolls-Royce. We are a strong manufacturing base, but that base depends on the interaction between those two companies, among others, on the supply chain, and on their ability to work together to establish and maintain that skills base.

The Minister of State, Department for Transport (Mrs Theresa Villiers): Does the right hon. Lady acknowledge that the Government of which she was a member set the criteria for the procurement, and that there is no way for this Government simply to ignore the Siemens bid and give the contract to Bombardier? We are bound by the criteria and by European Union rules and we cannot simply rip up the process. Is she advocating that we stop the procurement altogether and start afresh? That would delay considerably the Thameslink programme—which we inherited from the previous Government already running 16 years late—and we would still have no guarantee of Bombardier being the winner at the end of the new procurement process.

Margaret Beckett: I am sorry that the Minister decided that this was a good time to make that party political point, when all of us are present to get her and her Department to change their minds and look afresh at all the implications. We all know from our constituents that there are very real questions about whether the right decision has been made and whether proper account has been taken. We have talked about the financing so far, but we have also touched on whether the vehicle is fit for purpose and whether Siemens—although it is a fine company with a great engineering tradition—has the capacity to supply the trains needed.

I am genuinely quite sad that the Minister made that point. As the storm has arisen, not only in the Derby area but in the north-west and elsewhere, we have been inundated with requests from people throughout the country, with other Members and members of the public asking, "What can we do to help? This is a mad decision and none of us agrees with it." However, for some days I have had the feeling that, to get the Government off the hook on which they so far seem determined to impale themselves, some have been saying, in effect—I am prepared to exempt the Minister—"If we can palm off the blame for this on to the previous Government, then we don't need to look again at the decision." I am sorry, but that will not wash this time, because of genuine concern about how the financing was handled, about the train, about the lost opportunity for new manufacturing in the UK and about the knock-on effect on Rolls-Royce. This is not a done deal.

The hon. Member for South Derbyshire (Heather Wheeler) referred to the chair of Bombardier in the UK going to South Africa with the Prime Minister to promote British exports. I would not blame him for viewing the journey with some irony. In South Africa, they will be travelling on new trains, made by Bombardier for South African Railways, which felt able to award that contract. We can all ask why Bombardier could win that contract, but not one in this country.

We are very much at the opening stage in the process of negotiating the contract. The Government have only recently taken delivery of the McNulty report, which also considers the supply chain; we have hardly touched on that yet this morning, but the implications throughout the country are enormous. Genuinely, I say to the Government that this decision is a mistake. I do not accept the simple case that they have put because, as I pointed out, there were opportunities for the Department to look at the financing, but let me take a step back from that. They can blame it on us if they like, but they must change the decision—that is what matters.

10.3 am

Pauline Latham (Mid Derbyshire) (Con): It is a great pleasure to serve under your chairmanship, Mr Gale.

I echo everything that my hon. Friend the Member for Amber Valley (Nigel Mills) said, and much of what the right hon. Member for Derby South (Margaret Beckett) said, because this issue is not party political but about the welfare of people in all our constituencies. Everyone present today, especially from Derbyshire, is touched. However, there are particular worries over the border in Staffordshire, as well as in Nottinghamshire. Although Bombardier is in the right hon. Lady's Derby South constituency, the situation affects every single one of us. There is a huge knock-on effect on not only the supply chain, but where people spend their money. If people are redundant and therefore do not have money, all the knock-on industries will have to make reductions, and that will have a big impact on our area's towns and cities. I know that Derby is not doing as well as we come out of the recession as it could have done had the contract been won. People have a huge lack of confidence about their future and how much money, if any, they will be able to spend.

Over the months during which we have been waiting for the decision, I personally lobbied the Secretary of State for Transport on several occasions. Unfortunately, he told me every single time that I was not to worry because Bombardier was fine and was not going to pull out of this country—I mentioned that that was a possibility—as the company had lots of orders and would have no problem going forward. That is clearly not the case, so he misread the situation. I hope that he feels somewhat apologetic about the decision because he was clearly not looking at the wider situation in Derby and the surrounding areas.

[Pauline Latham]

When Hitachi of Japan and not Bombardier won a train order, did the Government review the procurement process and look at why we did not get it? If that did not happen, why not? Clearly, if we could not win that contract, other questions would be raised. As we heard earlier, Bombardier has not won five out of five of the important contracts going forward, so what can the Government do now?

I am as disappointed as every other Member in the Chamber today. We all get campaigning e-mails on things such as forests and the NHS. However, of the issues that affect real people in my constituency, I have had more e-mails and letters about this one than on all the rest put together since I was elected in 2010. That says something about people's depth of feeling—not necessarily of those who work for Bombardier, but of those concerned about their neighbours, friends or relatives. Some people have three or four relatives working with Bombardier who are all being made redundant. That will have a devastating impact on people in my area. The situation is perhaps the worst we have faced since the crash of Rolls-Royce in 1971—I clearly remember how devastating that was for Derby. It took us a long time to come out of that recession, although Rolls-Royce is now a successful business.

I commend the city council for talking to Bombardier and trying to make it understand the devastating impact on the area. Unfortunately, the company had already made redundancy decisions, which I understand that the Secretary of State received a letter about as far back as March or April. Bombardier was going to make those redundancies anyway, but however much we say that, it does not help the people with the redundancy notices in their hands. Whether they were made redundant three months ago or now, they are still redundant and have an uncertain future.

My hon. Friend the Member for Amber Valley mentioned that we have been talking a lot about coming out of the recession on the back of manufacturing. Well, it does not look like that from where I am sitting in Mid Derbyshire. If we do not do so with firms such as Bombardier, we will never do it, and we will not come out of recession anywhere near as quickly as we might have done had we got this contract in Derby.

I agree with my hon. Friend about the Department for Transport: is it the right organisation to handle such procurement? It does not seem to be able to get it right. Obviously, I agree that there must be competition and, as the right hon. Member for Derby South said, we do not want one contract and nothing else. We do not want a monopoly, but competition must be fair, and it does not seem to my constituents that there has been any fairness whatever.

It is ironic that, not many months ago, the Secretary of State for Business, Innovation and Skills came up to Rolls-Royce to open a new apprenticeship school. Some 50% of those apprenticeships are with Bombardier. He congratulated Rolls-Royce on the facility and congratulated Bombardier on sharing it, but that sounds hollow now. What is the future for those apprentices? They do not seem to have one. Will half that facility now not operate? That would probably mean redundancies.

The implications for the supply chain reverberate not just around Derby, but much further afield. What will happen to companies in the supply chain? Will they be able to take up opportunities to supply Siemens, or will Siemens procure everything from Germany or somewhere closer to it, instead of our excellent businesses? The Secretary of State and the Minister need to answer many questions about what swung the decision for Siemens and why Bombardier did not get the contract. Bombardier is an excellent production company. We have seen that it can win orders from other people, but not Government contracts, and that seems to be nonsense.

We must look to the future to see what the Government can do to bring forward procurement. There is Crossrail. We also need more tube trains and other rolling stock needs to be replaced. Will the Government consider urgently bringing that forward—not just by a year or two, but as far forward as possible—to give Bombardier the opportunity to win some contracts and save jobs in the Derbyshire area? The position is devastating and we need some answers, but I am sure that the Minister will be able to give them today.

We are asking the Office of Fair Trading to examine the procurement process and we are seeking a meeting with the Prime Minister. We must go to the very top and exhaust all possibilities. Can the contract be looked at again? Can we seriously change the decision? I believe that the decision was wrong, but we must bring forward opportunities for Bombardier to get back on its feet and to save jobs in Mid Derbyshire, Derby city and the rest of the area. I urge the Minister to do all that she can to bring forward such opportunities for the future of Bombardier and this country's train industry. If it goes, we will not have a train industry and it will never ever return. The country will then be left without a train industry of which we can be proud.

Several hon. Members *rose—*

Mr Roger Gale (in the Chair): Order. Five or six Members wish to speak. Some 15 minutes remain for Back-Bench contributions, so I urge hon. Members to keep their speeches brief.

10.13 am

Chris Williamson (Derby North) (Lab): I will try to be brief, Mr Gale, and it is a great pleasure to serve under your chairmanship.

I congratulate the hon. Member for Amber Valley (Nigel Mills) on an excellent speech. I agreed with almost everything that he said, although I shall come on to a point with which I took slight issue. I agreed with what the Prime Minister and the Chancellor of the Exchequer said when they came to Derby just three months ago. The Prime Minister said:

> "The point of the Cabinet today is to ask one fundamental question: what is it that we can do in government to help the economy to rebalance, to grow and for businesses to start up, to invest and employ people?"

The Chancellor said:

> "Derby's a great example of what Britain's economy should be in the future. And a strong endorsement of the importance of manufacturing industry."

I could not agree more.

The train-building and railway industry has been a cornerstone of British manufacturing since the 19th century. It is a vital industry in the Derby area, and it would be a sad irony, would it not, if 2011 turned out to be the last

year when a British train rolled off a British production line? However, that is where we might be if the Government are unwilling to reverse their decision. Derby gave the world the railways, and I want Derby to continue to have a future in the railway industry long into the 21st century.

The hon. Member for Mid Derbyshire (Pauline Latham) referred to the Rolls-Royce crash of 1971. Derby has not faced a crisis of such proportions since then. Not for 40 years have we faced the possibility of losing so many jobs in one go. I remember that, at the time, the then Government were initially unwilling to intervene, but ultimately they did the right thing by Rolls-Royce, the workers, and the families who relied on Rolls-Royce for their livelihood. Since then, Rolls-Royce has gone from strength to strength, and it is now the largest employer in Derby. It is a world-leading company and a top aerospace company in the world.

I come to the matter raised by the hon. Member for Amber Valley with which I slightly took issue. He referred to a future for the train-building industry if the Government are unable to change their decision on the Thameslink rolling stock programme. My fear is that if that decision is not changed, the train-building industry in our country might not have a future. Let us be clear. From the autumn, Bombardier will have work for barely 300 workers to finish off a contract for sub-surface trains for the London underground, which means that 3,000 people who are employed directly by Bombardier, and at least a further 12,000 in the supply chain, could lose their jobs within the next 12 months. That would have huge knock-on implications for the city, and not just for the individuals who lose their jobs, devastating as that would be, but because the wider implications for Derby's economy would be massive.

I agreed with what the hon. Member for Mid Derbyshire said when she made that point and also referred to the apprenticeships that will be lost at Bombardier. I know that that is an area of priority for the Government—I share that view—so I implore the Minister to consider the training and employment opportunities for countless young people and future generations in the city of Derby. They will be denied such opportunities if the decision is not reversed.

As I said, the train-building industry is a cornerstone of British manufacturing. Surely we cannot allow such a situation to develop on the spurious grounds that awarding a contract to Siemens represents value for money for taxpayers. How can that possibly be true when 15,000 workers might lose their jobs? That would lead to a huge loss of tax revenue to the Exchequer, a loss of VAT because of reduced spending power, and the payment of increased unemployment benefit.

I shall present a petition to the House next week. It already has 27,000 signatures and the number is growing by the day. It demonstrates the strength of feeling not just in Derby, but further afield, as my right hon. Friend the Member for Derby South (Margaret Beckett) pointed out. The issue is national, not just local.

I shall conclude with three specific questions to the Minister. What legal advice did the Department take on changing the terms of the original invitation to tender? What assessment has been made of how Germany and France have managed to stay within EU procurement rules when, in the past 10 years, 98% of train contracts in Germany have gone to German companies, and 100% of such contracts in France have gone to French companies? Finally, will the Minister publish the results of the value-for-money assessment applied to Siemens?

I will conclude with a quotation from the Chancellor's Budget statement:

> "Manufacturing is crucial to the rebalancing of our economy."

He continued:

> "We want the words…"Made in Britain", "Created in Britain", "Designed in Britain" and "Invented in Britain" to drive our nation forward—a Britain carried aloft by the march of the makers. That is how we will create jobs and support families."—[*Official Report*, 23 March 2011; Vol. 525, c. 958-966.]

I could not have put it better myself, so I urge the Minister and the Department to look carefully at the decision and to change it to ensure that British train building has a future.

10.20 am

Lorely Burt (Solihull) (LD): I shall preface my comments by saying that any job loss is a tragedy for the family of the person involved. The hon. Member for Derby North (Chris Williamson) made a point about the supply chain, which is hugely important. Every job lost in British manufacturing has a knock-on effect on three or four jobs in the supply chain.

I want to address three issues. First, did the UK make the best use of EU procurement rules? Secondly, I will speak about open competition because we must not lose sight of the fact that we do well on that in Europe. Thirdly, we must ask what we can do now and what the best way forward is.

Will the Minister tell us, if she can, who interpreted the EU procurement rules? Were the rules interpreted in a way that might inadvertently have favoured Siemens as opposed to Bombardier? Were the rules gold plated and was our interpretation of them too strict? Why did the procurement rules not take account of the socio-economic impact of the decision's devastating results? I hope that the Business, Innovation and Skills Committee will conduct an inquiry into the matter. We were legally bound by the procurement rules established by the previous Government, and had we acted differently, we would have been open to legal challenge, although I take no pleasure whatsoever in saying that.

On open competition, the UK wins 17% of all EU contracts and comes second in Europe when it comes to winning European tenders. Protectionism is a harmful road down which to go for all countries in Europe.

Duncan Hames: My hon. Friend is right to make that point. Invensys Rail in my constituency produces world-class signalling technology and has worked on seven out of the eight most recent high-speed lines in Spain, and nine out of 12 of the metro lines in Beijing. When we have such exceptional engineering talent in our country that wins contracts abroad, some of us may wonder why we are not more successful at winning contracts at home.

Lorely Burt: My hon. Friend makes an excellent and important point that has also been raised by a several hon. Members. We must be savvier when setting procurement criteria. In Italy, specifications have been known to include the requirement that the same work

[Lorely Burt]

has been done previously in the same area, although how it gets away with that I do not know. A study by Francesco Grillo concluded:

"In Britain, there are lower barriers to entry"

than elsewhere in the EU. We desperately need to look at that.

A balance must be struck, and there are some mitigating factors. Bombardier preannounced its intention to create 1,000 redundancies, regardless of the loss of the Thameslink bid. The growth review initiated by the Government will look at how business can be supported and at how UK manufacturing companies can meet our strategic needs, the importance of which was raised earlier. We must look at whether the UK makes the best use of our procurement strategy. On the bright side, the Business Secretary has announced a taskforce headed by Margaret Gildea OBE that will work with Bombardier to help to sustain a long-term manufacturing base in the UK—we are in this for the long term.

One or two hon. Members alluded to the fact that Bombardier is Canadian-owned rather than British-owned. Siemens will create 2,000 jobs as a result of being awarded the contract. Indeed, Bombardier has just won a £354 million contract to provide signalling for the London underground. It is therefore not all doom and gloom, but we must do everything possible in Derbyshire to help people to revitalise their manufacturing base.

10.25 am

Jack Dromey (Birmingham, Erdington) (Lab): I, too, pay tribute to the hon. Member for Amber Valley (Nigel Mills) for initiating this debate. My father was a train driver for 15 years and he was proud to drive British trains. British trains were at the heart of a thriving manufacturing base that at its peak employed more than 8 million people. Successive Governments have presided over the decline of manufacturing in Britain. On one hand, the previous Conservative Government saw 3 million jobs lost in manufacturing during the 1980s, while on the other hand the Labour Government were slow to learn painful lessons. They eventually arrived at industrial activism, but only after 10 years, after our economy had become unbalanced, with too much emphasis on the financial sector and not enough on the manufacturing sector. There was too much financial engineering, and not enough real engineering.

Throughout that period, I fought many battles for procurement contracts. In 1992, I was involved with British Rail engineering works in York. We successfully won an order for Networker trains for the southern region, which kept that admirable world-class establishment open for three further years. In general—I hope you will excuse the bad pun, Mr Gale—the direction of travel has been depressing, with consequences for our country and especially the midlands. Some 30 years ago, the midlands had one of the two strongest economies in Britain; it now has one of the two weakest.

The country is recovering at a painfully slow pace compared with Germany and France, which had the wisdom to sustain a strong manufacturing base. Bombardier is right when it says that the situation we are now in could not have happened in Germany or France. In recent years we have embraced industrial activism, and the Government have said that they wish to rebalance the economy as part of the growth strategy. I welcome that, but profound lessons must be learned from this sorry saga. Why can the Department for Transport not seem to get backing British industry right? Will the Government recognise the immense leverage that exists in more than £100 billion of public procurement funds, and will they use that in an intelligent way to underpin our manufacturing economy as part of the strategy for growth? The Government must use their power to help manufacturing with a determination equal to that of France or Germany.

Will the Government look again at how contracts are procured? The process was fundamentally flawed. As hon. Members from all parties have said, there was no proper concern for the socio-economic consequences of the contract decision, or for the consequences on the supply chain and the long-term impact of such a loss of capacity in Britain. That includes contracts that could be won both in Britain and internationally, since the trains will no longer be manufactured in Britain.

Finally, it is not too late for the Government to think again. I have been impressed by the excellent contributions made by hon. Members from all parties during the debate. We must learn lessons for the future, but for the here and now we need the Government to state that only preferred-bidder status has been allocated and that it is not too late to change. Where there is a will, there is a way. The voice of people in the midlands is clear: they want the Government to back Britain and to back Bombardier.

10.29 am

Mr Edward Timpson (Crewe and Nantwich) (Con): It is a pleasure to serve under your chairmanship, Mr Gale, and I will be as brief as possible. I congratulate my hon. Friend the Member for Amber Valley (Nigel Mills) on securing this important debate and on his well-argued and thoughtful speech. I endorse all that he has said.

I have made no secret of my feelings about the fact that the Government contract to build trains for Thameslink will go to a German company and that the trains will be manufactured in Germany. Although the decision does not directly impact on the Bombardier plant in Crewe, it is none the less a hugely disappointing and deeply frustrating outcome to what has ended up being a long and drawn-out saga. As my hon. Friend has said, we must go back 16 years to the inception of what was then termed the Thameslink 2000 project—I guess it is now the Thameslink 2018 project—to realise how long the decision has been left hanging.

The procurement process has gobbled up more than £13 million in consultancy fees, and the Thameslink project is now £600 million over budget. That does not make the decision any easier to swallow for Bombardier workers and raises a number of questions about procurement. What is clear is that the outcome of Thameslink is a hangover from decisions made some time ago at the inception of the tendering process. It appears that the EU procurement directive was adhered to to the letter. That slavish adherence to European directives needs to be remedied. Some of those directives have value, but others serve only to damage British industry and, more specifically, industry in Crewe and

Derby. Why should we stick so rigidly to those rules when they are so flexibly interpreted in other European countries? It is no accident that the Italian police drive Fiats.

We cannot afford to make mistakes such as this. Companies such as Bombardier need to survive and thrive in the UK, or we will be reliant on overseas assistance to manage essential national infrastructure. It simply does not make sense to go for the cheapest contracts if that means that hundreds of skilled engineers end up forming part of the dole bill.

10.31 am

Maria Eagle (Garston and Halewood) (Lab): I congratulate the hon. Member for Amber Valley (Nigel Mills) on securing the debate. He will have noticed not only that everyone has congratulated him on that and on the way in which he made his remarks, but the great agreement among all the speakers.

If rail were in decline in the UK, the loss of our rail manufacturing industry would be a tragedy, but it would at least be understandable. We have seen industries decline because of technological or social change, but in the case of rail, there is no excuse for letting the industry wither and die in Britain. In fact, the reverse is true. Rail is thriving in the UK. More people are travelling now than at any point since the 1920s—1.3 billion journeys are now made every year. There has been growth of an additional 1 million journeys in the past five years alone. Every prediction suggests that demand is continuing to increase and that it could double in the next 30 years. Rail is therefore a priority for investment for the foreseeable future.

The Minister and I may have our differences over spending, not least on the speed and scale of cuts, but there is consensus that as a country we will be investing in rail for many years. Whether the investment is in track and signalling, stations or trains, we will be spending billions of pounds in the years to come. That investment should benefit the UK economy. It will lead to faster journey times and additional capacity. Why cannot it also lead to our supporting, improving and growing our manufacturing industry, instead of our watching it leave the country? It could lead to significant increases in the numbers of manufacturing jobs, which it has done in the past decade.

Sadly, Bombardier is the last train manufacturer left in the UK, but under the previous Government it won successive orders, including £3.4 billion-worth of London underground trains, as well as trains for the London Overground network, London Midland, Chiltern Railways and the Stansted Express. Therefore, the decision by the current Secretary of State for Transport to award the £1.4 billion Thameslink contract to the German-based Siemens-led consortium puts at risk 3,000 British jobs at Bombardier and very many more in the supply chain, as right hon. and hon. Members on both sides of the Chamber have said.

Our train manufacturing industry is at a crossroads. We can see it either follow other sectors and become yet another assembly line, or remain a major manufacturer, taking advantage of the significant investment and orders that the success of rail in the UK will guarantee for years to come. We can ensure that we carry on building trains in this country, but by awarding the Thameslink contract to a company that will build the trains abroad, the Government have given us their view of the future of rail manufacturing in the UK. Today, they have heard calls from right hon. and hon. Members on both sides of the Chamber, which I echo, for them to think again and be very clear that that is what they want in the future.

Siemens is a major British employer in its own right, with more than half its 16,000-strong UK work force involved in manufacturing and engineering. The contract that we are discussing will lead to jobs. There is a dispute about just how many, but there will be jobs in the supply of train components and in maintenance. Some will be substituted for jobs that Bombardier would have had if it had won the contract, while others will be new. I welcome the commitment of Siemens to a new UK rail training academy, supporting the national skills academy for railway engineering. However, none of that good takes away from the fact that the Thameslink trains will be built by a work force in Germany. The reality is that the jobs that will be created would have had to have been in the UK whatever the result of the procurement.

The decision is undoubtedly a body blow for Bombardier, as right hon. and hon. Members who represent constituencies in the immediate area, such as my right hon. Friend the Member for Derby South (Margaret Beckett) and my hon. Friend the Member for Derby North (Chris Williamson), have said. The fact that 446 permanent and 983 contract staff already face redundancy is a severe blow, not only to the east midlands but to the whole of our manufacturing industry. The Government have tried to suggest that those jobs would have been lost anyway, but that has been strongly denied by the company, which has said that not one permanent position would have been lost had it secured the contract.

The Government's response so far to the uproar has been to wash their hands of the process and try to blame the previous Government. That might be understandable, but it does not take us very far forward. We have even seen the nonsense of the Transport Secretary writing to the Prime Minister to complain about the decision that he himself has made.

I hope the Minister today will come forward with some rather more constructive ways in which she can tackle the crisis that the decision has created. It is clear that the Department for Transport has not secured the most economically advantageous outcome either for the local community or for the country as a whole, despite it being perfectly permitted to do so. It is also clear that there has been a particular problem in the Department for Transport, which was referred to by right hon. and hon. Members on both sides of the Chamber, including the hon. Members for Amber Valley and for Mid Derbyshire (Pauline Latham). The DFT has awarded not a single contract to Bombardier since it has been in charge of letting them, yet Bombardier won more than 70% of orders for new trains for the UK rail industry when procurement was led by the rolling stock leasing and train operating companies. The company has been incredibly successful around the world—another point made by all who spoke in the debate—yet the DFT has not placed an order with a British-based company since it took over procurement. There is an issue to be addressed by the Minister and there are serious questions to be answered.

[Maria Eagle]

Opposition Members have called for a full independent review of the procurement. We are clear that the review must consider the social impact on the UK's work force, both for those directly employed by Bombardier and for those in the wider supply chain. It must consider the likely impact on the sector as a whole and the impact on future procurement. Despite what Ministers say, the Government are perfectly entitled to do just that. The Secretary of State's predecessor, Lord Adonis, commissioned an independent review of the entire intercity express programme after the preferred bidder had been announced, and the new Government carried out a further review following the election. Both reviews led to substantial changes to the project, not least the agreement that Hitachi would commit to Newton Aycliffe as the preferred site for its planned European rolling stock manufacturing and assembly centre, generating at least 500 new jobs in the north-east.

There are things that Ministers can do. As someone who was a Minister for nine years, I confirm that it is never the case that Ministers cannot do anything. Today, I urge the Minister to think again and agree to a review of the decision. Labour Members accept that we need to learn lessons from our own time in government. In view of the cross-party consensus among Back Benchers in today's debate, I hope that we can reach a cross-party consensus on how rail procurement will be carried out in the future, particularly as these decisions inevitably cross Parliaments.

I shall offer three specific suggestions for a way forward. First, we need to consider how we operate these contracts under the European procurement directive—a point made by a number of right hon. and hon. Members. We must examine why France and Germany manage procurement whereby their home-based companies in almost all cases secure the work. Only in April this year, German national rail operator Deutsche Bahn placed a €5 billion order for 200 high-speed trains with Siemens. A major contract such as that being awarded to anyone but a domestically based company would be greeted with outrage and shock in Germany.

Secondly, we need to look at a longer-term capital investment programmes and not just stop-start, feast-and-famine programmes, as several Members have said. Manufacturers are left unable to plan ahead. Why must Bombardier have so many agency workers? It is nonsense for trains to be built by agency workers, when train building is such a skilled job. Those who build the trains should have training, a proper career path and guaranteed employment extending into the future, and they could have that if we organised our procurement better. The lack of certainty created by stop-start procurement hits investment in skills. Network Rail believes that a fifth of all procurement costs could be eliminated if there were continuity of orders. It is 800 days since the last new rolling stock order was placed. The feast-and-famine approach to rolling stock procurement, which has blighted the sector for almost 20 years, must change, and there is no reason why it cannot, given the investment in this country's rail industry in the coming years.

Thirdly, we need to reduce the number of train designs to enable longer continuous orders, economies of scale and interoperability. Network Rail has recommended reducing the 64 different rolling stock classes that operate on the network to just three. The Competition Commission calculates the average cost per vehicle at more than £1 million, with 8% of procurement costs associated with the development of different bespoke models. Passenger rolling stock costs in Britain are 15% of the industry's running costs. The three changes that I have outlined would make a significant difference to not only reducing that cost, but enabling British-based manufacturers to plan properly, skill their work forces adequately and secure the large, long-term, ongoing work that is achieved in sectors such as the defence industry.

In the meantime, the Government must not sit back helplessly as yet another UK manufacturing sector is lost. It is not too late to look again at the Thameslink decision. As my right hon. Friend the Member for Derby South, the hon. Member for Amber Valley and others have said, this is not a done deal. Siemens has been named as the preferred bidder, but the contract has not been signed. While that remains the case, there is still a chance to look at the issue again and to take some action.

Interestingly, the Minister for Housing and Local Government said in a written statement to the House on 16 June that Bombardier's bid

"also presented an attractive proposal and it is our intention to retain them as the reserve bidder."—[*Official Report*, 16 June 2011; Vol. 529, c. 86WS.]

If the proposal is attractive and would protect a large number of British jobs, it must surely be right for the Minister for Transport to have another look at whether the right decision has been taken.

I want to ask the Minister a number of questions. Will she confirm on precisely what date DFT Ministers were first informed of the result of the procurement? For what reason did she reject the option of holding a funding competition, which my right hon. Friend the Member for Derby South has mentioned? On a couple of occasions, that option could have been taken forward. Why was it not? Why, as late as the start of this year, were bidders, including Bombardier, asked to supply a range of new information if, as the Government have stated, the decision simply came down to a balance-sheet comparison? If that was the determining factor, it could have been done at an early stage in the procurement.

The Minister will be aware that Deutsche Bahn recently rejected the Siemens bogie design for the new generation of its high-speed trains and that it required the company to use the Bombardier FLEXX Eco instead. What consideration was given to that element of the contract? Will she take this opportunity to accept that it was wrong for her Department to brief the media that Bombardier would have made job losses regardless of the decision on the contract, because the company has firmly denied that claim?

Heather Wheeler: I do not know whether the hon. Lady has seen the letter involved, which was dated 23 May, but I have, and I am surprised that she has said what she has said.

Maria Eagle: The hon. Lady is entitled to her opinion. I am reflecting on what the company said publicly after the Government had made their claim, which it utterly denied.

Finally, will the Minister agree to look at the procurement process for Crossrail trains? That process is at an earlier

stage than Thameslink was at when she inherited it. Will she look at Crossrail again, review the contract and the procurement process and bring forward a revised proposal that includes the lessons of Thameslink?

In addressing the Chamber at the end of this excellent debate, I hope the Minister answers the questions that have been put to her. Of course, she will not have time to answer them all, because there have been very many, but it would perfectly acceptable for her to write to us with detailed answers to the questions that she does not get around to answering.

10.44 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship, Mr Gale. I congratulate my hon. Friend the Member for Amber Valley (Nigel Mills) on securing a debate on this important issue. I welcome the contributions that he and other right hon. and hon. Members have made on this issue, which is important for Derby and the UK. I emphasise that the Government fully understand the concern that is felt. We, too, deeply regret the job losses that are under way in Derby, and we, too, are determined to do what we can to help Derby and Bombardier.

We recognise that Bombardier was hugely disappointed not be made the preferred bidder for Thameslink, but the procurement was set up and designed by the previous Government. Although we were left to open the envelope on preferred-bidder status, they set the criteria against which bids had to be judged. We are legally bound by the criteria set by Labour at the beginning of the process.

We are also legally bound by European law to judge bids on a completely blind basis. Under EU law, domestic and overseas suppliers must be judged impartially and on a wholly equal footing. Against the published criteria we inherited, the Siemens bid clearly represented better value for money.

We cannot make the location for the proposed manufacturing part of the criteria. Contrary to what the shadow Secretary of State, the hon. Member for Garston and Halewood (Maria Eagle), said, it was not a criterion for preferred-bidder status in the IEP contract that Hitachi set up a factory at Newton Aycliffe, although it has chosen to do so.

In response to a number of points made by different hon. Members, I should say that we could not simply rip up the procurement started by our predecessors. That would leave the Government at risk of facing damages in the courts and lengthen the delivery of Thameslink, which, as I have said, and as hon. Members have acknowledged, was already running 16 years late when we inherited it from the previous Government. There was no legal way we could simply ignore the Siemens bid and hand the contract to Bombardier; it simply is not in our legal power to do that.

Maria Eagle: Is the Minister really saying she has no power in this matter? She is the Minister.

Mrs Villiers: I am saying that, as the Minister, I need to abide by the law and by our obligations under the European Communities Act 1972 and the treaty of Rome; I am afraid I have no choice in that. Going forward, we of course recognise the need to examine wider issues about whether the UK approaches the application of EU procurement rules in the right way and achieves the right balance of risk. Similarly, I agree with my hon. Friend the Member for Amber Valley that we need to see whether our approach is consistent with those used in other member states. That is why the issue will be considered as part of the Government's growth review.

Nigel Mills: On that point, I would like to draw my right hon. Friend's attention to another quote from Mr Scrimshaw, who is the head of Siemens's train building in the UK. *Rail Professional* asked whether he would ever look at building in the UK, and he replied:

> "I wouldn't rule it out. Currently, all the tenders from DfT don't include requirements for UK manufacture. We have a model that works quite well."

It seems that Siemens did not entirely rule out the possibility that such a requirement might exist. Perhaps the Department could look at that in future.

Mrs Villiers: Even if we had designed the criteria, it remains the case that we could not have made the location of the manufacturing process a condition of successfully achieving the contract; that is simply not permitted by EU law. However, I totally deny the allegation that the Government are sitting back and not taking action. I agree that we need to take action to help Derby and Bombardier. The reality is that Bombardier advised the Department for Transport that it expected to make more than 1,000 redundancies, regardless of the outcome of the Thameslink procurement, because several of its orders are about to reach completion. However, whatever the reason for the redundancies, we want to try to help Derby and the surrounding area at this difficult time.

As a result of the review by Bombardier of its UK rail operations, the Business Secretary has set up an economic response taskforce. It will he headed by Margaret Gildea and its remit will be to mitigate the economic impact of job losses at Bombardier, in its supply chain and in local communities. It will draw on representatives from Derby city council, the county council, Derby college and the Skills Funding Agency. Jobcentre Plus will also deploy its rapid response service, to support workers who will be affected. That is in addition to the work on skills that the Government have been involved with in Derby in partnership with Rolls-Royce and Bombardier, and the support that the Department for Transport is giving to the National Skills Academy for Railway Engineering, which my hon. Friend the Member for South Derbyshire (Heather Wheeler) mentioned. We shall do our best to help Bombardier to get the overseas contracts it is bidding for, such as in South Africa. That is one reason why representatives from Bombardier will accompany the Prime Minister on his visit to South Africa, which is coming up.

Margaret Beckett: I should not be a bit surprised if those representatives make the point that it will not help them to gain confidence overseas if they cannot get contracts at home.

I want to raise a point that has been made in several quarters, about the job losses. I, too, have seen the letter from Bombardier to the Secretary of State. It makes two things clear, one of which is that, indeed, as no one

[Margaret Beckett]

has attempted to deny, there were temporary, short-term contract jobs that were due to come to an end, which is a pity. However, it is also clear that more than 400 skilled engineers and designers are being made redundant now because of the loss of the Thameslink contract. Also, I know that the Department has been aware for some time, as I hope Ministers have, that Bombardier has made it crystal clear that if it did not get the Thameslink contract, not only would the new jobs not be coming, but those 400-odd would be the start of the process. It is not right for the Minister to pretend that all those jobs were going to go anyway. That is just not true.

Mrs Villiers: As I have said, whatever the reason for the job losses, it is important that we should work together to help Derby in this difficult time.

Chris Williamson: Will the Minister give way?

Mrs Villiers: No. I am afraid I have only a few more minutes, and a long list of points to get through. I want to try to respond to my hon. Friend the Member for Amber Valley.

My hon. Friend was concerned that in some way the Department for Transport discriminated against Bombardier. Absolutely not. We fully respect the excellence of the engineering facilities at Bombardier. We are determined that it should be judged on an impartial basis, so there is no question of any predisposition against Bombardier, or any discrimination.

Several hon. Members have expressed concern about the combination of long-term funding and maintenance and whether we should take the approach to procurement in the future of judging each procurement on its merits. It was not possible to sever those elements of the bid process from the criteria we inherited from the previous Government. They combined long-term maintenance and funding, and it would not have been possible for us to sever those criteria and start again, for the reasons I have given.

My hon. Friend the Member for Amber Valley thought that there was a case for leaving more procurement decisions to the train operators and the rail industry. I agree on that. He also asked about the margin between Siemens and Bombardier. I am afraid that that is commercially confidential at the moment and I cannot share it with the House. It would not be in the interest of Bombardier, Siemens or the taxpayer for me to do that. Several hon. Members, including my hon. Friend and the shadow Secretary of State, have expressed concern about the Siemens bogie. That has been evaluated. The bogie is based on proven technology used elsewhere. Its development began in 2007 and it is expected to have undergone about 1 million miles of testing before it goes into passenger service. As to concerns about peaks and troughs in rolling stock orders, yes, we need to consider that in future, and we shall do so as part of our consideration of the McNulty review.

My hon. Friend the Member for Mid Derbyshire (Pauline Latham) spoke passionately and movingly about the impact of job losses. She asked about a meeting with the Prime Minister, and he has asked the Business Secretary to meet Councillor Philip Hickson of Derby city council. In answer to the question of the hon. Member for Derby North (Chris Williamson) about assessment of the position in Germany and France, we looked carefully at their approaches, and will also do so as part of our growth review. As to whether we will publish the results of the value for money assessment of the Siemens bid, it is not possible at this point, as I have said, to publish such commercial details, because they are commercially sensitive. The hon. Gentleman asked what legal advice the Department obtained on changing the invitation to tender. As I have made clear, we are legally bound by the criteria we inherited from the previous Government, and those were thoroughly assessed by our legal advisers.

Chris Williamson: Will the Minister give way?

Mrs Villiers: No, I am sorry. I have a lot of points to make, and I propose to make them.

My hon. Friend the Member for Solihull (Lorely Burt) rightly emphasised the benefits of open markets and highlighted the dangers that going down a protectionist route might have. The hon. Member for Birmingham, Erdington (Jack Dromey) talked about how the Government could use their £100 billion public procurement programme to underpin economic recovery. Of course we will consider that as part of our growth review. My hon. Friend the Member for Crewe and Nantwich (Mr Timpson) was concerned about the amount spent on consultancy. The bulk of that happened under the previous Government, but I agree that we need a more efficient approach to spending on consultancy in relation to procurement in the future. Since the general election the consultancy spend has been considerably reduced.

It is important to recognise that Bombardier, alongside other train manufacturers and train and component supply chain businesses in the UK, will have the opportunity to bid for a range of contracts in the future. We are reforming the franchise system to incentivise train operators to invest in new rolling stock. We have given the go-ahead for the tube upgrades. We have secured funding for Crossrail. We are going ahead with a consultation on high-speed rail. Bombardier is a highly successful global company, with a proven record of winning big contracts for its Derby works and elsewhere. It has done so in the past; we see no reason why it should not be well placed to do so again in the future. In recent years it secured orders for nearly 1,400 carriages for London Underground's sub-surface line, 376 for the Victoria line and 232 for London Overground. It has been shortlisted for the Crossrail order. Its striking success rate on tube-related contracts must put it in a strong position for when London Underground next needs to procure new carriages, which, thanks to the securing of funding for the tube upgrade, will happen in due course. Only a few weeks ago, Bombardier won a £354 million signalling contract for London Underground.

For all those contracts we are determined to ensure that domestic suppliers are treated entirely impartially and given a fair chance of getting them. The fact that the coalition Government have secured funding for such a major programme of capacity enhancement will result in major opportunities, not just for Bombardier but for other train component and supply chain manufacturing businesses in this country. Following its nomination, for example, as the preferred bidder for the intercity express programme contract, Hitachi has

announced that it is locating its train manufacturing services for Europe at Newton Aycliffe in County Durham. That will provide significant opportunities for UK component manufacturing. As has been said, if the Siemens Thameslink bid proceeds to conclusion, it will involve the creation of 2,000 jobs in the UK. It has indicated that it intends to use elements of the UK supply chain to supply its bid.

This has been a difficult debate, and it is a difficult time for Derby. We are determined to help.

Chris Williamson: Will the Minister at least give an undertaking to take legal advice on the possibility of calling in the decision and reviewing it, with the possibility of reversing it, as has happened with previous contracts?

Mrs Villiers: We have looked extensively at the contract and have done the numbers very carefully. As I have said, it is not legally possible for us to rip it up. We need to ensure that in future, Bombardier and all our domestic suppliers will be well placed to compete effectively for bids and competitions that will be made possible by the coalition's commitment to investing in our railways.

Housing Market Renewal

11 am

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I am delighted to have secured this debate on behalf of all hon. Members who share my concern about the cancellation of the housing market renewal initiative, and the terrible impact that that will have on those affected by it. I shall give an overview of the problems faced by all pathfinder areas and highlight how the cancellation of HMRI will affect some areas of Liverpool.

The Government's plans for house building over the course of this Parliament can at best be described as conservative. Between 2005 and 2010, Labour delivered 256,000 affordable homes in England, including 142,000 additional homes for social rent. Over the five years of this Parliament, however, the Government are planning to deliver only 150,000 affordable homes—100,000 fewer than Labour achieved in the previous Parliament. HMRI was originally envisaged as a 10 to 15-year programme, but it was abruptly ended eight years in, when many of the schemes were reaching fruition.

In March, an Audit Commission report estimated that the HMRI had generated about £5.8 billion of economic activity across the UK, which created 19,000 jobs in the construction and related industries, and sustained more than 2,600 jobs in the construction industry each year. Thousands of homes have been built and more than 108,000 have been refurbished.

At the neighbourhood level, HMRI has helped to stabilise market conditions and provided a strong sign of change. Private sector resources have been leveraged in to the projects, and more than 15,000 new homes have been built in areas where no properties had been built for a long time.

In Merseyside the pathfinder scheme known as NewHeartlands delivered 2,297 new builds, refurbished 18,263 homes and made 65% of its planned acquisitions. Shelter, the housing and homelessness charity, said:

> "The Housing Market Renewal pathfinders have brought much needed investment to parts of the North and Midlands experiencing low demand for housing and long term economic decline."

The decision to cut £120 million of funding and to end HMRI has been tough on Liverpool. There are thousands of people on the housing waiting list across the city. Many families live in overcrowded or unsuitable homes. The decision puts an end to the good work being done to alleviate these problems and makes future work difficult, and it is clear from the mixed messages coming from the Minister for Housing and Local Government—I am sorry that he is not here today—that there is no clear exit strategy.

Rather than putting in place a phased withdrawal that would allow local authorities to manage the axing of funds, the Government have stopped the scheme dead, which has created confusion, uncertainty and bitter disappointment. The lack of strategy is evident, given the situation that the Government have left behind.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate my hon. Friend on securing this most important debate. Will she join me in raising the fact that other areas must have suffered, including areas such as Stoke-on-Trent? The Renew North Staffordshire pathfinder scheme cleared many properties in that area and demolished great

[Robert Flello]

swathes of the city, often taking a long time to piece together the ownership of the various lots of land. It was ready to start the next phase when, all of a sudden, it found itself with derelict land and nothing to build.

Luciana Berger: We have had similar experiences in Liverpool. It is devastating for the cities and towns concerned, as there are literally acres of flattened land with nothing on them. Near Smithdown road in Picton, there is nothing but green-grey grass, but people know that houses once stood there.

In Kensington and Picton, which are two wards in my constituency, some dilapidated housing stock sits mostly empty and boarded up. Some people live in what have become ghost towns. Eight out of nine houses are unoccupied. The people still living in those areas feel desperate and let down. They put up with living in decaying conditions because they were promised that they would be rehoused. People across Liverpool knew that if they lived in an area in a certain phase—one of phases 1 to 8—at some point they would be moved out their housing and the area would be regenerated. They now face the disappointment of having to stay.

If progress is not made on demolition, the shell of these properties will rapidly deteriorate, and that will increase the risk of collapse, which could endanger residents. Worse still, the land next to the residents lies idle. As I said, new homes were meant to be built there, but that will not happen because the funding has been withdrawn. The majority of people remaining in the clearance areas are vulnerable, elderly or have health problems. Residents would like to stay in the local area, but they do not have that choice because there are no new or alternative houses.

This is happening not only in Liverpool, as I am sure we will hear from other hon. Members, because it is a familiar story in the other pathfinder areas. The Audit Commission report into HMRI states:

"At this stage there are too many isolated and vulnerable residents still living in poor housing".

Mike Gahagan, the former chair of the Transform South Yorkshire pathfinder, has said that

"the sudden termination in HMR funding has left many families in distressed surroundings".

Stuart Whyte, the former chair of Gateway Hull and East Riding of Yorkshire pathfinder highlighted the fact that the areas have increasingly become a magnet for crime and antisocial behaviour.

These residents are already vulnerable and living in these areas for an extended period is likely to have a major impact on their health and well-being. Empty homes attract the theft of valuable metals and lead. The other weekend, I visited Ben Kwonko, a constituent who lives in an area where eight out of nine homes are tinned-up and unoccupied. His home is damp and lead has been stolen from his roof numerous times. He and his family are desperate to move out of that property, but he has no choice. There is also an increased likelihood of arson attacks in these areas.

The Minister might have realised the damage that ending HMRI has done to these areas, as he announced in May that a £30 million transition fund would be made available to the five most deprived HMRI areas—Merseyside, east Lancashire, north Staffordshire, Hull and Teesside. I welcome that announcement as a first step. Liverpool has been comparatively lucky by being able to access some of that money, but the reality is that such figures are a drop in the ocean when compared with the scale of the challenge. The money will not deal with all the outstanding housing renewal problems in some the neighbourhoods in Liverpool.

I refer to an example in Anfield, which is in the constituency of my hon. Friend the Member for Liverpool, Walton (Steve Rotheram), who I am sure will reinforce the point. In his constituency, areas in phases 6 and 7 do not meet the transition fund criteria for occupancy, and there is a requirement that the fund should not open up new phases of redevelopment. However, people are stuck in those areas. The funding decision also leaves four pathfinder areas with no extra funding and no clear idea of why that is.

Will the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), share with us how the figure of £30 million was arrived at? How was the decision reached over which pathfinder areas are to receive money from the transition fund? What were the criteria and who set them? What support, if any, does he plan for those pathfinder areas not eligible for the transition fund? The transition fund does not address the fact that a large amount has already been spent on pathfinder schemes—thus far for nothing. We have seen £2.2 billion of taxpayers' money invested in housing market renewal since 2002. What assurances can the Under-Secretary give that these areas will not regress, and that money already spent will not be wasted?

It is not only taxpayers' money that is in danger of being wasted. Ros Groves is chair of the Anfield and Breckfield housing and physical regeneration group in Liverpool. The Minister for Housing and Local Government—I keep referring to him because I was expecting him to answer the debate—was in Liverpool when he announced the transition fund in May. Ros Groves said that he

"went on about how we need to get private sector involvement and I said: 'We've got that. We've had £207 million spent here by businesses. What do you do with that? Just throw it in the bin?' And he didn't have an answer because there is no answer."

I hope that the Under-Secretary will be able to answer that today.

As well as a clear lack of a strategy on how to deal with residents living in pathfinder areas, there has been complete confusion over what funds will be available to finish the planned development in these areas. In October 2010, the Housing Minister said:

"We will complete all the committed HMR schemes, and we will then roll the funding up into the regional development fund to continue the good work."—[*Official Report*, 21 October 2010; Vol. 516, c. 1114.]

That gave hope to pathfinder areas that they would be able to maintain funding for these projects—albeit on a reduced scale, but still at a reasonable level. However, the Minister's commitment was left in tatters just over two weeks ago when Lord Heseltine, the chair of the independent advisory panel for the regional growth fund, told the Communities and Local Government Committee:

"The regional growth fund is not in any way a replacement for the housing market renewal funding...There is no way in which we are doing housing renewal."

That is a complete rejection of what the Minister said to the House in October and of what he told my hon. Friend the Member for Liverpool, Walton and me in a meeting in Liverpool. He gave false hope to those in Liverpool and other pathfinder areas that a solution may be found.

We are left with a lot of unanswered questions, so I hope that the Under-Secretary will answer some of them today. What discussions has he or his colleague had with Lord Heseltine regarding using the regional growth fund to develop the HMRI pathfinder areas? When was the decision made not to allow regional growth fund money to be used for housing? Who made it and when did the Housing Minister find out? Did the Under-Secretary or the Housing Minister know in advance of Lord Heseltine's Select Committee appearance that he was going to veto the use of regional growth fund money for housing market renewal? When the Housing Minister gave his commitment to the House in October, had an agreement been reached to provide funding from the regional growth fund, which has subsequently been breached, or was he hoping that the funding could be used, but had not yet received concrete assurances that it would?

In addition to explaining how the Government made the decisions that have got us into this mess, I hope that the Under-Secretary will finally give us some clarity and provide an indication of how we can move forward and complete the housing projects, which is ultimately what we all want to see. I believe that the Housing Minister is interested in finding a solution.

Annette Brooke (Mid Dorset and North Poole) (LD): I am here simply out of interest. Will the hon. Lady give us some indication of how much money is needed to complete the projects in the way in which she is talking about?

Luciana Berger: The transition fund that was announced was £30 million. If the projects had continued in Liverpool alone, £120 million more would have been needed over the next seven years. However, there are another eight pathfinder areas. We expected some scaling back, but there are areas in my constituency and others across the pathfinder areas in which people are living in dilapidated housing. Those people were supposed to be decanted in a few years' time. Their properties were expected to be regenerated and rebuilt, thus bringing much needed jobs to local areas and improving people's surroundings, as they all deserve.

Robert Flello: On that point, let me just say that while £120 million might sound like a large amount—indeed it is a very large amount for just Liverpool alone—does my hon. Friend accept that if the cuts were not being made so deep or so fast, it would not be such an issue? Does she also accept that the economic benefit to not just Liverpool but the country would be huge and would far outweigh the investment required?

Luciana Berger: I thank my hon. Friend for his helpful intervention. Of course, if the cuts had not been so deep or fast, we could have had that money. As I said, it was another seven years before the HMRI was due to be completed. I do not have the figures in front of me, but I have seen some astounding numbers detailing the economic benefits and multiplier effects of having those houses built in all the areas. The knock-on effects would benefit the NHS, and people would find work and also live in better areas. As I said, there would be many more local construction jobs. On an annual basis, there would be nearly 3,000 sustainable jobs in the construction industry, and such jobs are much needed up and down the country. Although it is clear that the HMRI has ended, there is still a window of opportunity—albeit one that is rapidly closing—to build on the work done under the initiative and to utilise the expertise and partnerships that were built up during the course of the scheme.

In Merseyside, all the NewHeartlands authorities are trying to maintain momentum. Other sources of funding to finish regenerating these neighbourhoods are being thoroughly investigated. I have spent several hours meeting the housing market renewal teams at the council, and they are dedicated to doing everything they possibly can to leverage in that funding.

Liverpool is actively market testing refurbishment-based solutions for three of its neighbourhoods—Arnside road, Granby Four Streets and Webster Triangle. Initial indications are that there may be interest from partners to deliver in some of those areas. Meanwhile, in the renewal areas, new homes are being delivered by lead developers and are popular. I live on a former housing market renewal site. Examples of other such sites include the Parks in Anfield and the former Easby estate, both of which are in north Liverpool, where historically there has been little or no private sector house building.

Will the Under-Secretary commit to working with councils such as Liverpool and local communities to develop plans and identify funding for developing the pathfinder areas? So far, little support has been extended by the Government to make up for the complete cut in HMRI funding. The reality is that while councils are doing their best to find innovative solutions to this problem, their efforts are a drop in the ocean compared with the level of funding previously committed under HMRI, so they need more support from the Government.

As Elaine Stewart, the head of housing renewal services at Liverpool council, has said:

> "We have to forge more relationships with the private sector although, in housing market failure areas, private sector rules don't apply and we have to be realistic about the amount of private sector funding coming in. Without some public sector funding, it won't work."

At the final oral evidence session of the Communities and Local Government Committee inquiry into regeneration, the Minister for Housing and Local Government hinted that the Government may bring forward new funding. He said:

> "This is not a policy launch, but I have an idea in mind where communities will be able to access further sums of money through a local process which will enable them to regenerate in ways that suit them locally."

I would love to hear about those proposals. It is a shame that the Housing Minister is not here to tell us more about what he meant. However, until the Minister comes forward with something other than an idea—he did refer to it only as an idea—we will not be any closer to a solution.

On behalf of all my affected constituents and all those across Liverpool and the other pathfinder areas who live in intolerable conditions, I urge the Under-Secretary

[Luciana Berger]

to go back to his Department and revisit the decision to end HMRI. Some £790 million has already been committed in Merseyside. We want a solution that will mean an end to thousands of people being forced to live in out-of-date, decaying and dangerous housing.

I thank you, Mr Gale, for your stewardship this morning. I hope that the Under-Secretary will address the issues that I have raised, and I am sure that my hon. Friends will raise other concerns during the rest of the debate.

Several hon. Members *rose—*

Mr Roger Gale (in the Chair): Order. I imagine that Mrs Riordan will wish to call the Opposition Front-Bench spokesman at 12 o'clock. A significant number of Members wish to take part in this debate so, once again, brevity is the order of the day.

11.18 am

Joan Walley (Stoke-on-Trent North) (Lab): It is a pleasure to serve under your chairmanship, Mr Gale. I am sure that you will give us all an opportunity to contribute to this important debate, which I congratulate my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on securing. The point that I want to get across to the Minister, who has a strong belief in local government, is that the housing market renewal programme, of which north Staffordshire was one recipient, was an important means by which capital funding came to areas where there was economic failure. The whole programme was intended to restore the balance between the south-east and other places where there is no economic failure and areas such as ours, which, for well-documented reasons, need to deal with issues such as absentee landlords. There are whole blocks of homes the purpose for which has now gone.

It has been well documented that in the early stages of the housing market renewal programme many MPs had real concerns; indeed, many MPs in Stoke-on-Trent had concerns. My hon. Friend the Member for Stoke-on-Trent South (Robert Flello), Mark Fisher, the former MP for Stoke-on-Trent Central, and I challenged the officials who were introducing that programme in the city, because it did not seem to us that they were working with or alongside local communities, or that there was a master plan to consider the kind of bottom-up regeneration that we wanted for our communities. In the early days, the officials' proposals were all about the large-scale demolition of a large number of houses, which had no place in our local regeneration strategies.

Through careful, long-term lobbying, we did our best to change that approach. Across Stoke-on-Trent, there was a sea change where the housing pathfinder programme took place. In some places, the change was too little, too late, but in other places there was a major change. The programme was late in getting off the ground in north Staffordshire—it was about three years late in getting together all the different proposals—so we were behind where we should have been. Once the programme got off the ground, however, it started to make an impact.

The problem that we now face is the sudden and unprecedented withdrawal of funding by the Government in the comprehensive spending review, with no clear detail being given about what will be put in its place. My hon. Friend the Member for Liverpool, Wavertree has outlined the concerns about the regional growth fund. There was an assumption that that fund would provide some of the capital investment that we needed, but that did not happen.

We are now left, once again, with the huge disparity between the parts of the UK where there is no economic failure whatsoever and those parts where there is economic failure and where we are trying to remedy that failure. What we desperately need is a cocktail of measures, whereby everything works alongside everything else to get economic investment, restructuring and strategic planning in line with what local communities want, which means the homes where people live. We need homes side by side with jobs.

I know that the Minister cares passionately about the issue, but it is wrong that the funding was removed just like that with no time for people to prepare for its removal, and it is also wrong that the transitional funding of about £30 million, which would allow only for the further demolition of properties, should have been put in place without addressing the real capital needs for investment in our areas. It might seem to the Minister that the demolition of the remaining acquired sites is the best use of that transition fund of £30 million. However, if we consider the ongoing costs of vacant sites, which have no maintenance budgets whatsoever, it is not the right way forward to restrict the criteria on how that transition funding can be spent in the five most distressed areas to paying for demolition. Will he work with those five areas, which are represented here today, and officials in those areas? More importantly, will he look in a cross-cutting way at other Government policies? When he replies to the debate, I hope that he will indicate to hon. Members who are present today how the Government's post-comprehensive spending review policies on housing market renewal relate to the Government's economic policies on local enterprise zones and to the work that is coming out of the Treasury.

In Stoke-on-Trent, we hope that the Minister's Department will support our application to establish a local enterprise zone. If that local enterprise zone goes ahead, it will border one of the areas for which we are seeking these transitional payments for housing market renewal, which is the Middleport area of my constituency. The same point applies to other areas on the periphery of what we hope will be the local enterprise zone. Will he look at how the investment that we need in housing in those areas can be provided—perhaps through a ring-fenced amount of money—to help us to deal with the absolute void that has been left by the Government pulling the plug on finances for housing market renewal?

I want to discuss the regional growth fund. It is extraordinary that the Government have indicated that what has been taken away with one hand will be provided with the other through applications that meet the criteria for the regional growth fund. Those of us who have attended meetings with Lord Heseltine know that the regional growth fund is already stretched and that it will not be ring-fenced in any way for housing investment, but without the homes to go alongside the jobs that we hope will come from the regional growth fund, people in our areas will not be able to get back on their feet in the way that was envisaged when the housing market renewal programme was first introduced.

There is another cross-cutting issue, which is the local government finance relocalisation of business rates. It is a huge issue. If the Minister thinks that what the Treasury does about relocalisation of business rates and the consultation about those plans that will take place throughout the summer recess—perhaps away from media attention—will have no bearing on areas where we are fighting to get back economic prosperity after economic failure caused by structural reasons that we know only too well, I urge him to think again. Can he tell us how the proposal for the equalisation of business rates, and the giving of powers and funding to local authorities to meet the genuine needs of their areas, will have any chance of success when it appears that, as a result of the coalition agreement, areas such as the City of London will carry on receiving huge amounts of money? Such areas do not have economic failure—if their money goes into the pot, they get to keep it for themselves—but what about areas such as Stoke-on-Trent, which stand to lose money? Stoke-on-Trent stands to lose £26 million, which is on top of the £36 million in local government funding that has already been taken away from our area by the CSR.

I have already been in touch with the Department for Communities and Local Government about this issue, but will the Minister ensure that his officials work with those of us who are on the ground and who are in touch with the local enterprise partnership, local authorities and local communities to find, by some means or other, a way in which legitimate funding for legitimate regeneration and investment, which meets the needs of local communities that have been left stranded high and dry by the sudden decision to remove the money for housing market renewal and to allow transition funding only to be used for demolition, can be provided?

In Middleport, the Prince's Regeneration Trust has now purchased the Middleport pottery; we have a Burslem master plan; and local people have a huge desire for housing renewal. I ask the Minister to work with the hon. Members here today, who care so much about their areas, to find a way forward.

11.27 am

Mr Iain Wright (Hartlepool) (Lab): It is a pleasure to serve under your chairmanship, Mr Gale. I remember with fond affection that you had to endure my ramblings in Committee during the passage of the Housing and Regeneration Act 2008, alongside your co-Chairman at that time, my hon. Friend the Member for Bootle (Mr Benton), whose constituency, like mine, is a recipient of housing market renewal funding. I feel like we are all back together for a nice reunion.

I congratulate my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on securing this important debate on an issue that affects many thousands of decent residents in the north and in the midlands. I have a pathfinder project in my constituency. It extends throughout the Teesside area and incorporates sites not only in Hartlepool, but in Gresham, Middlesbrough and South Bank, which is in the borough of Redcar and Cleveland.

Between 2007 and 2009, I was the Minister in the Department for Communities and Local Government responsible for housing market renewal. I travelled across all the HMR areas when I was a Minister. I met residents in Stoke-on-Trent, Liverpool, Birmingham and Sandwell, and I was struck by their enormous enthusiasm and ambition. They were determined to see a reversal of the slow and painful decline in their neighbourhoods.

Robert Flello: My hon. Friend will no doubt recall walking down the high street of what was Coalville and is now Weston Heights in Stoke-on-Trent and seeing the phenomenal transformation that was taking place to turn what was a very run-down estate into one where people are still flocking to buy and rent properties. What a transformation that was, especially when combined with the other transformations in Stoke-on-Trent, such as the brand new hospital and the fantastic regeneration of our schools, and what a damn shame that it has ended.

Mr Wright: I agree with my hon. Friend. Alongside our hon. Friend the Member for Stoke-on-Trent North (Joan Walley), we are pushing on behalf of north Staffordshire. I remember seeing the huge ambition in that area, among others.

It is worth going back to the basics of what HMR was trying to achieve. It was trying to stem and reverse long-standing decline in areas characterised by acute housing market failure. In many respects, that was due to an imbalance of one particular type of property in an area. For example, about 37% of all the housing stock in the entire borough of Hartlepool—14,500 properties—is terraced housing. On any measure, that is too much of one particular type of stock, so there is a need to rebalance the stock the town provides to residents—both now and in the future. That was true of other HMR areas.

What struck me most when I had responsibility for this matter—more fundamentally than acute housing market failure—was the disconnect between those areas and economic activity. The areas were blighted by low skills and, often, virtually no employment. To succeed, I felt that housing market renewal had to be linked explicitly to economic success, and that was why, when I was able to announce in 2008-09 an extra £1 billion of funding for housing market renewal, I wanted to link it explicitly with the possibility of securing extra funding and with injecting skills and employment into those areas, with a particular emphasis on apprenticeships for young people.

It is also important to recognise that this was deliberately a long-term programme. Those areas in the north and the midlands were built in the Victorian era to house workers in heavy manufacturing industries. When those industries declined in the post-war era, their economic raison d'être was often lost, and areas have struggled to adapt. Those big social and economic changes cannot be solved overnight, so HMR was deliberately a 15-year programme to put those areas back on a sustainable footing. The abrupt cancellation of the programme, without any other suitable replacement, undoes all the good work that has been done, and sets those neighbourhoods back decades, as my hon. Friend the Member for Liverpool, Wavertree so eloquently said. More taxpayers' money than was originally planned for HMR will be needed to sort out the social and economic problems caused by the cancellation of the programme.

Since 2006, for every pound of HMR funding in Teesside, we have levered in an additional £1.06 of other public sector investment and 61p of private sector

[Mr Iain Wright]

investment. For Hartlepool in particular, the figures are actually much better. Hartlepool has received about £4.5 million of HMR funding between 2006 and 2011, but that has been complemented by £13.7 million of other public funding and an astonishing £20 million of funding from the private sector, so that is more money coming in from private companies as a result of public sector investment. As many as 2,500 private sector jobs in the construction industry have been created or safeguarded as a result of that initiative. If private companies see the Government losing faith in those areas and failing to maintain investment, it is difficult to envisage how private sector money will stay and grow there.

That is frustrating, because Hartlepool has shown how good progress can be made. We have seen the complete redevelopment of Trinity square by a good Hartlepool house builder, Yuill Homes, and it is now a thriving and welcoming area in the centre of town. At the Headway site close to Chester road, 280 terraced properties have been demolished and work on 170 high-quality, mixed-tenure homes has begun. A second of four planned phases is now progressing. The development agreement for the Headway site made provision for raising employment, skills levels and training opportunities, including the provision of apprenticeship places.

Last month, alongside Bob Farrow, a long-standing tenant of the Belle Vue area, I opened the first modern homes in the area, which replace 50 pre-fab and terraced properties. Bob has lived his entire life in the Belle Vue area, having been born in Borrowdale street. With other residents, he has been closely involved in the planning of the new development. It is a myth—if the Minister is going to suggest this—that the programme has had a top-down approach. It has been bottom-up, with residents actively involved in planning the future of the areas. At the opening of the new homes, Bob said:

"I knew when I first saw Housing Hartlepool's plans for the new Belle Vue estate that it was going to be wonderful, but these fantastic homes have exceeded expectations. Hartlepool residents have been closely following the progress of the new homes and it is great to see them become a reality."

In the Perth, Hurworth and Grainger streets part of Dyke House, a compulsory purchase order is in process, meaning that several hundred residents, who have been living with uncertainty, are now seeing some progress. Credit for that must be given to Damien Wilson, Hartlepool borough council's assistant director of regeneration, who alongside me, the three ward councillors—Mary Fleet, Stephen Thomas and Linda Shields—and officers, Amy Waller from the council and Helen Rooney from Housing Hartlepool, have been going to the Hartlepool Rovers quoit club every Friday at 5 o'clock to keep residents up to date with developments.

However, I am concerned that this progress of breathing new life into disadvantaged areas is incomplete, and that people will be left in limbo for years. As the Audit Commission stated in its review of HMR in Teesside:

"This is a particular risk...where so many schemes are at a relatively early stage. There are a number of areas where a large number of properties have been acquired that are awaiting demolition. This has the potential to leave communities living in a very poor quality environment...The slowing down or stopping of interventions will undermine commitments made to communities and damage community confidence in neighbourhoods."

Through all their policies, the Government are damaging the communities in my constituency and the wider north-east. Economic policy, social and welfare initiatives, and public sector cuts all disproportionately affect my area and focus on neighbourhoods that least have the tools to battle those challenges. Areas such as Hartlepool, Middlesbrough and Redcar and Cleveland are less likely than anywhere in the country to be able to withstand economic recession and public sector cuts. HMR was starting to turn round decades of neglect, economic inactivity and housing failure to provide neighbourhoods with the housing and hope that they deserve. The Government have taken that away without putting anything in its place. For the first time in many years in this country, we have no dedicated urban regeneration funding programme. I hope that the Minister will reflect on what his Department has done, and do something for my constituents and other decent residents across the midlands and the north of England.

11.36 am

Graham Jones (Hyndburn) (Lab): It is a pleasure to serve under your chairmanship, Mr Gale, and I congratulate my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on securing a debate on an important issue to my constituents, the axing of HMR.

HMR was overall a successful scheme, although I admit there were some problems, which I will address later. I want to address how the ending of the scheme affects my constituency and low-demand areas; some of the misleading statements put out by the Government; and the Government's £30 million transitional fund.

Let us be clear where we are now: facing human misery. People were given assurances that the HMR red line around their neighbourhood would be a 15-year programme. It was not to be one that would first encourage disinvestment and degeneration and then, at the bottom of that regeneration trough, have the funding pulled to leave streets abandoned, in the worst cases looking like ghettos.

The regeneration did have cross-party support. The Minister himself was once a fan and, from reading *Hansard*, I note that he was a supporter. The Prime Minister made unequivocal promises back in 2006, when he took the then shadow Cabinet on a visit to Liverpool. While walking along some of the terraced streets, he observed,

"Run-down areas become a magnet for dumping and littering."

He laid out this Government's political ambitions, saying of regeneration,

"It's a huge task. I want the Conservative party to be the party of urban regeneration. The aim is to make our cities better places for people to live in."

People rightly feel badly let down; that the Government and the Prime Minister have broken their promises. That can be best summed up by Peter Latchford, the former chair of Birmingham and Sandwell pathfinder:

"I am particularly concerned at the message sent to people living in complex and deprived areas when a programme like this is terminated so abruptly. In Birmingham and Sandwell, we showed that the best results come from involving local people; from investing in long-term relationships of trust; from holding ourselves properly to account locally. There is no better way to disillusion such people, who have seen a succession of 'interventions' come and go, than to pull the plug halfway through the promised period."

HMR was successful; it made good progress in some of the most deprived areas. That is according to the Audit Commission, Shelter and the chairs of the former pathfinder areas that oversaw the regeneration. The Audit Commission report published this March showed that the decision to abolish the housing market renewal programme was ill-advised. My hon. Friends the Members for Liverpool, Wavertree and for Hartlepool (Mr Wright) mentioned the benefits identified by the Audit Commission, including £2.2 billion invested in the HMR programme since 2002, £5.8 billion in economic activity and 30,000 new property sites cleared. The HMR kept 19,000 jobs in the construction industry. In Newcastle Gateshead, £60 million in HMR funds, along with contributions from the council and the Homes and Communities Agency, secured £400 million in private investment and delivered more than 4,000 new homes. The Housing Minister is keen to say that we need new homes, so he should be aware of those facts.

I want to put on record the Audit Commission's summary, as it is important:

"The HMR programme is making a difference to the communities it serves, with fewer empty houses, reduced crime, and more jobs and training opportunities, especially in those neighbourhoods that are more advanced in their programmes."

It goes on to discuss the Government's current proposals for a £30 million transitional fund, essentially to fund the evacuation of residents in what, in my opinion, is an attempt to remove the personal misery involved from the broadcast and news media in order to assist the Government politically. The Audit Commission's summary says that

"the emphasis must be on completing current key interventions; not least to ensure that promises made to communities are met and to reduce the risk of previous investments being undermined by leaving a legacy of uncompleted projects. At this stage there is...a significant risk that neighbourhood regeneration projects stall, leaving communities living in a poor quality environment indefinitely."

There seems to be no exit strategy and a lot of waste. The sudden withdrawal of funding has left local authorities unable to complete projects that were already under way. The Government should have considered a phased withdrawal from the programme, and the scheme's management should not have been based on the five reasons the Housing Minister trots out so frequently, all of which I will dismiss.

The first reason is deficit reduction. The Government are ignoring the plight of the areas involved, the promises made and the investment so far. As my hon. Friend the Member for Stoke-on-Trent North (Joan Walley) said, we had the opportunity not to introduce such a great deficit reduction programme. We are going too far too fast, and it is hurting our communities. The second reason is future funding, to which I will come, and the £30 million in relief, particularly the regional growth fund, which my hon. Friend the Member for Liverpool, Wavertree discussed, and the new homes bonus, to which the Housing Minister keeps returning. The third is waste, the fourth is top-down targets and the fifth is a conflation of over-supply and under-supply in housing markets.

There has been waste in HMR areas, but I remind the Minister responding to the debate that of the five areas for which he is providing funding, Hull, Liverpool and Stoke were Liberal Democrat-controlled, East Lancashire was Conservative and Liberal Democrat-controlled, and Tees Valley had no overall control. It is not a Labour issue. In East Lancashire, Hyndburn's Conservative council was handing out full market value payments plus relocation grants plus a cash handout of £30,000, and undertaking group repairs at £55,000 a property, which was more than the full value. Significantly, the council never engaged with estate agents or architects on added value or the redesign of properties, nor did it seek the best investment value. I am told that in Liberal Democrat Pendle, £1 million, not including acquisition, was spent converting eight houses into four. Another issue is the lack of Government intervention in Liberal Democrat and Tory-controlled councils.

My hon. Friend the Member for Hartlepool mentioned top-down targets, another issue to which the Housing Minister keeps referring. A pathfinder, as the name implies, is a housing programme in which local authorities were told to find a path. There were no top-down targets that anyone is aware of except the Housing Minister, who said in a reply to my right hon. Friend the Member for Birkenhead (Mr Field):

"Some pathfinder schemes were successful; however, others attracted controversy due to an over-reliance on demolition, in part encouraged by top-down government targets."—[*Official Report*, 20 January 2011; Vol. 521, c. 901W.]

The Housing Minister has made that assertion repeatedly. Can the Minister here today name a single top-down target imposed under the HMR programme? I cannot and nor can anyone else—including the Housing Minister, who has failed to provide a single meaningful example so far.

Turning to my constituency, Hyndburn has unfunded areas like those mentioned by my hon. Friends. The future of Woodnook and Peel in Accrington is now unfunded, and I will assert to the Minister the sheer scale of the problem. Residents in the area were consulted in 2005 by the Conservative council. Plans were drawn up and presented that included details such as houses to be demolished and trees to be planted. The Conservative council scrapped those plans and then went into "spend, spend, spend" overdrive in West Accrington. In 2010, the council repeated the process, covering some 70 terraced blocks with 15 houses a block, a considerable number of properties. The hon. Member for Rossendale and Darwen (Jake Berry) was courteous enough to visit last month and recognised the true scale of the problem, but the Housing Minister has yet to come through on his promise to visit Hyndburn and see the HMR-related problems in Accrington.

Residents of 70 blocks in red-line areas believed that their area would be regenerated, but since the cuts in the comprehensive spending review and the axing of HMR, the council has scaled back its plans to include just five blocks. In many blocks outside the area where transitional money will be spent, occupancy rates are between 30% and 80%. A press release from the Department for Communities and Local Government on 9 March this year stated:

"This coalition Government is committed to helping vulnerable people and will not stand by when residents are stranded in derelict neighbourhoods through no fault of their own."

Five out of 75 blocks are being done and 70 blocks are being neglected, some of which meet tier 1 and tier 2 criteria for the £30 million and have less than 50% occupancy.

[Graham Jones]

As my colleagues have said, £30 million is grossly insufficient. Four blocks that I have looked around make me think of the misery on those streets. Surely the Minister must recognise that that cannot carry on. In effect, even with the £30 million, we are abandoning people in HMR areas. Worse, although some blocks qualify for match funding under the Government scheme, it is ridiculous to think that a local district council could afford to match Government funding to deal with such areas, even though they meet the criteria. We will be abandoning and neglecting people who meet the criteria, despite two previous plans. Such is the desperation of the district council to do something that it is prepared to say whatever it takes to the Government in order to get any crumbs that might help people. The council knows that it is abandoning residents because it has been shorn of Government funding, and the private sector does not want to know. We risk facing blight compensation notices.

The Housing Minister conflates over-supply and under-supply, trotting it out as a reason for the shortage of housing in the UK. He said on 17 January:

"The housing market renewal programme was responsible for demolishing a large number of homes—so many that there are fewer affordable homes after the 13 years of the previous Government than there were when they got into power in 1997."—[*Official Report*, 17 January 2011; Vol. 521, c. 535.]

A conflation of the south-east and the north-west is imaginary and unhelpful, as it belittles the truth. There are more houses than people in significant parts of the north. Is the Minister not aware that Liverpool's population used to be 1 million but is now nearer 450,000? East Lancashire's population has fallen. There are more houses than people; demand is low.

Is the Housing Minister so lost from his brief as to be unaware that there are 750,000 empty properties, most of them in the north? People do not want those homes, the private sector does not want them and hard-pressed councils have no money to deal with them. Is he really suggesting that the cure for low demand is for people from the south-east to move to the north? If so, is that official Government policy, and what is he doing about it? That is what he seems to be suggesting. How else will we fill those houses? If not, he should refrain from suggesting that there are more people than houses, for that embarrasses his own position.

My hon. Friend the Member for Liverpool, Wavertree touched on the regional growth fund. The Housing Minister told the House of Commons one thing that seems to be totally untrue, and he needs to address the fact that he has misled the House. As my hon. Friend said, the chair of the regional growth fund said that it will not accept funding bids, so for a long time those communities were led to believe that there would be a future, but there is none. I am sure the Housing Minister will be haunted by his words:

"We will complete all the committed HMR schemes, and we will then roll the funding up into the regional development fund to continue the good work"—[*Official Report*, 27 October 2010; Vol. 517, c. 1114.]

I want to address a second point that the Housing Minister touched on—the new homes bonus—because it is not only on the regional growth fund that he has misled the public. He has repeatedly confirmed that the new homes bonus will supplant HMR, yet figures distributed by the House of Commons Library show that my constituency received just £62,000. Is the Minister aware that the average price for acquisition is £77,000 in West Accrington and £45,000 in East Accrington? The difference is that one has had intervention and the other has not. That £62,000 will barely buy one house. When we find out that the new homes bonus will buy so few bricks, stones and slates, is the Housing Minister not embarrassed by his comment that the new homes bonus will assist HMR areas?

It is not only a Hyndburn issue. East Lancashire has some of the worst housing in the country, yet its five HMR local authorities are recipients of the lowest new homes bonus payments in the UK. All five feature in the bottom 27 out of 350 authorities and receive less than 90p per head in new homes bonus payments. Hyndburn receives 78p per head, while leafy Uttlesford receives £9.30 and conservative Tewkesbury £6.47. How is that fair? How is that consistent with the Housing Minister's extravagant funding claims?

Given that there are more properties than people, it is no good the Minister saying that we will be rewarded for filling empty homes and that there is an empty homes budget. How? How will we get people into those houses? Empty properties are a revolving door. The Housing Minister is making ridiculous arguments. I presume he is suggesting that people leave delightful Tewkesbury and Uttlesford, where they want to live and where there is high demand, and move to Woodnook, Peel or Accrington, where there is little or no demand. When he makes those generic comments, I would like him to explain how he will square that circle.

Crime hot spots and human misery are key issues. Families remain trapped in deserted streets where projects have been abandoned. Those areas attract crime, with several experiencing arson attacks, which makes it very dangerous for those living there. Stuart Whyte, the chair of Gateway Hull and East Riding of Yorkshire pathfinder, said:

"The areas have increasingly become a magnet for crime and anti-social behaviour. Beyond this human misery the sudden withdrawal of funding has a major impact on the willingness of the private sector to invest in the areas."

Mike Gahagan, former chair of Transform South Yorkshire pathfinder, said that

"the sudden termination in HMR funding has left many families in distressed surroundings".

The Government have an obligation, and forcing local councils to accept liability will not make the problem go away, particularly in lower-tier district councils, which cannot raise the finance. The Liberal Democrat leader of Burnley council, Charlie Briggs, said:

"£30 million remains insufficient to meet the area's needs. We need a policy and funding that gives us a bridge to Mr Shapps' new world. We are in touching distance of a revitalised housing market. It will be disgraceful if the government now pulls the rug on us and, more importantly, our communities."

That is a Liberal Democrat leader—it does not even come from the Opposition.

The Government are nowhere on regeneration. Their own document, "Regeneration to enable growth", is an embarrassing three pages long, followed by some cut-and-pasted tables. Is that their position on regeneration—three pages? When the Prime Minister visited Liverpool, he put Lord Heseltine in charge of regeneration, stating:

"I am delighted to be here and announce the setting up of a Cities Task Force which Heseltine has agreed to chair. He has a great record in helping with urban regeneration and is a great friend of Liverpool's."

Questioned at last week's Select Committee on Communities and Local Government, Lord Heseltine had this to say on regeneration: there is a paper out on regeneration; it "is called 'Going for Growth' or something."

It is actually called, "Regeneration to enable growth". It is clear that the Government have abandoned regeneration and HMR. Those the Prime Minister has made responsible for it know so little and the Government do not care enough to do something about it. Perhaps the Minister has recognised that the Government have conveyed confusion and misinformation, and will eventually come back to the nub of the issue. The problem will not go away.

In closing, I note that last Tuesday the Housing Minister announced that he would look at a new fund. My hon. Friend the Member for Hartlepool has put the questions—where is that new fund and what will it do? Will it include the existing HMR areas? Will it be part of a strategic plan including public and private finance? Crucially, in my constituency, will it be more than the embarrassing £62,000 the Government provided in the new homes bonus fiasco? I close my comments there, Mr Gale. Thank you.

Mr Roger Gale (in the Chair): In the light of that lengthy contribution, the Front Benchers have indicated that they are willing to curtail their speeches slightly. Mr Rotheram, you have about seven minutes.

11.55 am

Steve Rotheram (Liverpool, Walton) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr Gale. I congratulate my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on securing the debate and my hon. Friend the Member for Hyndburn (Graham Jones) on tenaciously pursuing the issue of housing market renewal.

Hon. Members will, I hope, be aware of early-day motion 1970 on housing market renewal, which I sponsored not only because it affects huge swathes of my constituency, but because we need to secure a fair deal for all the former HMR areas. The Chancellor once told us that we are all this together, and perhaps that is partly true in this case—at least, "we" on Labour Benches representing ordinary, working-class constituencies might be in this together, but certainly not "we", as in the royal "we", representing leafy suburban areas such as Tatton, Witney and South West Surrey.

[Mrs Linda Riordan *in the Chair*]

Despite the unbelievable transformation of our city during 13 years of Labour Government, Liverpool's socio-economic problems are common knowledge and have been touched on by my hon. Friends. The problems are disproportionately concentrated in north Liverpool and their consequences correspondingly magnified. There is a complex and historical mix of issues, such as low educational attainment, a low skills base, high welfare dependency, poor housing, low or unskilled and often casual employment, and poverty of aspiration. Those factors have made for a potent, self-perpetuating, cyclical cocktail of disadvantage and marginalisation. I have spent more than two decades working hard for Liverpool, and I am determined to continue that fight here today.

In the 12 pathfinder areas, there was demonstrable market failure in the housing sector and the £2.2 billion housing market renewal initiative essentially recognised what we needed to do to tackle poor housing conditions. Despite some justifiable criticism that it was not always sufficiently focused or sufficiently geographically specific to meet Liverpool's needs, it started to address one of the multiplicities of interconnected problems that areas such as my constituency face. It was housing market failure that created neighbourhoods with a large number of vacancies, owners trapped in negative equity and the unwelcome attention of speculators. I concede that the scheme was not perfect, but, much like the future jobs fund, it was at least a programme to address specific needs. For that reason, moderate reform rather than radical abolition would have been the sensible thing to do, but, no, not for this Government.

Despite what I am sure were its best intentions, the previous Lib Dem city council in Liverpool got things disastrously wrong, and now the Liberal Democrats and their Tory partners are trying to finish us off completely. Instead of taking a break, as they did with the health care reforms, to consider all the options available, the coalition Government have simply turned off the regeneration tap in areas such as Walton. In this very Chamber, only two weeks ago, I led a debate on the construction sector and highlighted the damage that the scrapping of HMR and other initiatives was doing to the industry. It is generally accepted that HMR alone has generated £5.8 billion-worth of economic activity and created 19,000 construction jobs. So the Government's decision to scrap HMR was devastating not only for residents trapped in properties in areas that look like they have been bombed, but for the construction industry in general. It would not have been so bad if the Government had recognised the serious socio-economic problems of HMR areas, but instead they have once again hit the most deprived parts of the country hardest.

Government Members are desperate to blame the previous Labour Government by using the tired old mantra that it is all our fault, but the economic argument is that for every £1 invested in construction, £3 is generated and a further £2 is generated in the wider economy. So, instead of paying benefits to building workers who are desperate for jobs but who are forced to sit at home, the Government could have invested in construction to ensure a return on their investment and the creation of jobs and apprenticeships. The Government chose not to do that; instead, they chose to cut and run.

It is disappointing that the Minister for Housing and Local Government is not responding this morning to our serious questions—metaphorically speaking, this is not the first time that a Lib Dem has taken a bullet for his Tory master. The Minister will be keen to lay the blame squarely at the door of the previous Labour Government. However, whether or not there was money in the Exchequer, there appears to be an ideological motive for this callous and cynical decision, which has caused so much distress in areas such as Liverpool.

12.1 pm

Alison Seabeck (Plymouth, Moor View) (Lab): Thank you, Mrs Riordan, for your chairmanship—albeit rather briefly—of the debate. I draw hon. Members' attention

[Alison Seabeck]

to the entry in the register made by my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) in which I have an indirect interest. I congratulate my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) on securing the debate. It has been marked by excellent contributions and a strength of feeling expressed by my hon. Friends, whose constituents are most affected by the Government's complete volte-face on funding for the housing market renewal programme.

The Minister should not be surprised by the anger and frustration voiced today, when the messages from his colleagues indicate yet again that the left hand does not know what the right hand is doing. The decision to cut half the money promised by the Government at the Dispatch Box by the Minister for Housing and Local Government as recently as October 2010 has been devastating. Many hon. Members have commented on his absence today. I can tell hon. Members that, as we speak, he is busy tweeting about holding a round table on social mobility. In that round table, I hope that he is talking about HMR and the impact of his policies on social mobility.

It is worth noting and repeating the precise words that the Minister for Housing and Local Government used:

"We will complete all the committed HMR schemes, and we will then roll the funding up into the regional development fund to continue the good work."—[*Official Report*, 21 October 2010; Vol. 516, c. 714.]

Is that not pretty unequivocal? He then confirmed the position in a letter to local authorities, in which he said:

"we will also provide access to the Regional Growth Fund to fund capital projects which could support housing growth".

I suppose we should be getting used to Ministers saying one thing in Parliament one day and then changing it the next. Most recently in fact, just a couple of weeks ago in a debate on social housing in this Chamber, the Minister for Housing and Local Government made a number of statements that he has subsequently had to correct or elaborate on. There were seven such instances in all, including one policy change. I hope that the Minister responding today will not find himself having to come back with a stream of corrections. There is a question of competence here.

It is therefore a shame that Lord Heseltine, who has been tasked with heading up the independent approval panel for bids to the regional growth fund, does not appear to be singing from the same hymn sheet. Perhaps he is as confused by the Government's constant chopping and changing as the rest of us. When he was pressed by the Select Committee on Communities and Local Government, he was very clear indeed that the regional growth fund is not in any way a replacement for housing market renewal funding. What happened to the circular that the Minister put out? Did Lord Heseltine simply ignore it, or perhaps the status of the edict from the Department for Communities and Local Government was simply lost on the chairman of the approval panel. To his credit, Lord Heseltine has a considerable understanding of regeneration projects and, after the Toxteth riots, he got heavily involved in trying to make significant changes and improvements to some of the country's most run-down communities through regeneration. There were, of course, two housing-related bids in the first round of bidding with one in Hull and one in Wakefield, but since then the emphasis has clearly changed.

It is telling that the Localism Bill does not mention the importance of regeneration to some of our poorest communities. However, let us be honest. That is not the Government's vision for the new powers that the Bill will introduce. The bids already in for neighbourhood forums support the view that those powers are largely for affluent areas in the south-east or in the suburbs of our major towns. Neighbourhood forums are not being set up in Hyndburn, for example. Perhaps those marooned local residents should be thinking about setting up a neighbourhood forum in order to try and have a say in how their community might be shaped in the future—not, I hope, under a Tory Government.

Why did the former pathfinder chairs feel the need to press the case for the full £60 million to remain committed? They know, because they have worked on the ground, just how important it is to rebalance and invest in these communities. They also know the cost of not proceeding and the waste of investment that has already been put in. Perhaps the Minister should read his own Department's discussion papers in which it is clear that in order to tackle worklessness the lack of aspiration needs to be dealt with. Part of that is about people feeling valued. Someone's home and their wider environment play a significant role in that. Let us imagine waking up every morning in a semi-derelict landscape, where all the community facilities and local shops are closed. It is almost impossible to conceive how dispiriting and demoralising that must be. If the Government are serious about the private sector stepping in to support new jobs, they need the conditions for that to happen. The private sector will not move into derelict sites where no one, including their potential workers, wants to live. There needs to be some pump-priming.

My hon. Friend the Member for Hartlepool (Mr Wright)—a former very respected Housing Minister, who understands the nature of the problem—set out clearly the reasoning behind the scheme and, most importantly, the economic benefits. The Government have taken a number of decisions that have impacted seriously on house building, regeneration and, as we have heard, the construction industry. This Government's decision arbitrarily to select just five areas for continued investment and to allow councils to ignore the regional house building targets resulted directly or indirectly in plans for more than 200,000 homes being dropped.

My hon. Friend the Member for Liverpool, Wavertree has highlighted the problems and has mentioned some of the excellent work using previous funding to try to lift some of the affected areas. During the recess, I hope to see at first hand some of the problems that she has described so vividly. My hon. Friend the Member for Hyndburn (Graham Jones) gave a wide-ranging and expert analysis of HMR and its importance to the area that he represents.

My hon. Friends the Members for Stoke-on-Trent South (Robert Flello) and for Stoke-on-Trent North (Joan Walley) described how the scheme was just starting to have an impact. Clearly the rug has simply been pulled from under the feet of those concerned. My hon. Friend the Member for Stoke-on-Trent North made a plea for a cross-cutting approach. Sadly, I have to tell her that the Government are simply doing the cutting

part. She also touched on business rates, which are extremely relevant. That was a point very well made. I hope that the Minister will take that away, because the impact on areas such as hers could be significant if, again, the decisions taken are the wrong ones. My hon. Friend the Member for Liverpool, Walton (Steve Rotheram) is an assiduous debater on this and related issues. He flagged up an alternative, more pragmatic approach that the Government might have followed and pointed out that they simply chose not to do so.

Labour Members have tried hard to clarify this matter and have raised the issue on the Floor of the House. My hon. Friend the Member for Birmingham, Erdington (Jack Dromey), who is in this Chamber today, has—I hope he will forgive me for saying this—been like a dog with a bone. He, too, has written to the Minister for Housing and Local Government, most recently on 29 June, but there has been no answer. Perhaps the Minister for Housing and Local Government has been too busy writing corrections to the previous debate. My hon. Friend asked some straightforward questions in his letter, many of which have been asked again today by my hon. Friend the Member for Liverpool, Wavertree, and I shall add to her list. Will the Minister make it absolutely clear whether Lord Heseltine is correct in saying that the regional growth fund will not cover HMR or anything of that sort?

Importantly, my hon. Friend the Member for Liverpool, Wavertree also asked whether bids, which have been prepared at some cost to local authorities, will be considered at all by the approval panel. If not, will local authorities be reimbursed, given that they were quite clearly sold a pup by the Government? Perhaps in the absence of a written reply from the Minister for Housing and Local Government, the Minister can, in summing up, answer all those questions, because he will have adequate time to do so. I hope that we get good, full, oral answers and that we do not have to wait for updated written answers.

12.10 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure to serve under your chairmanship for what I think is the first time, Mrs Riordan. I congratulate the hon. Member for Liverpool, Wavertree (Luciana Berger) on bringing this subject to the Chamber. I should perhaps say that my right hon. Friend the Minister for Housing and Local Government recently met the hon. Lady to discuss regeneration in her constituency. He also took the opportunity to visit Merseyside in May to see the work being undertaken in both Liverpool and Sefton. I have also visited Liverpool, so I have seen successful, and perhaps less successful, schemes and their outcomes.

Luciana Berger: I just want to reinforce a point that I made earlier. One reason for securing the debate is that while the Housing Minister did come to Liverpool, during a meeting there that was attended by a wide range of people from the local communities affected by the cut to HMR, he said that we in Liverpool could apply for money from the regional growth fund. As that has now been proven to be not the case, further to the evidence given by Lord Heseltine in the Communities and Local Government Committee, it is really important that we receive answers about that today.

Andrew Stunell: I certainly intend to give answers about that.

Perhaps I should say something about the baggage that I bring to the debate. I first secured elected office in 1979, having run a successful local campaign to prevent the wholesale demolition and redevelopment of homes in Chester. I am happy to say that those homes are still there and are now seen as highly marketable assets. We all bring different stories and different perspectives to the debate. I am well aware that good regeneration work has been undertaken in Merseyside and elsewhere, and I am also well aware of the challenges that have been faced in the area. The hon. Member for Liverpool, Wavertree mentioned the Picton and Kensington renewal areas in her constituency.

Several contributors to the debate have acknowledged that not all housing market renewal schemes got off on the right foot. Not all of them were pursued in the right way and, in fact, not all of them were appropriate. A number of them certainly generated significant local controversy and failed to engage properly with local communities. Quite often, the renewal process divided local opinion. Amid the understandable passion that has been brought to the debate, it is important that we keep some perspective on that particular point.

I shall start by responding to some of the specific points that were raised before going on to deal with several of the broader points that I think need to be set out. The hon. Member for Stoke-on-Trent North (Joan Walley) asked for several specific assurances. Officials from my Department are more than ready to work with Stoke-on-Trent council and others on the future direction of the north Staffordshire regeneration area. Indeed, officials are already in discussion on the basis of the bids and applications that have been put in for the £30 million match funding that has been referred to, so I am happy to give her that assurance. I have visited Stoke-on-Trent and looked at some of the situations that she described.

Joan Walley: My concern is not just about the transitional fund and securing our share of it, because that is geared towards demolition. I want to see how all the different funding can be aligned so that we can get investment in homes, communities and local regeneration. If the Minister can help with that, I will be very happy to do whatever I can to facilitate it.

Andrew Stunell: At the risk of having to issue a correction—I do not have a magic wand—I can say that those discussions will be wide-ranging. Of course, they can be as wide-ranging as Stoke chooses to make them.

I want to move on to something that I am sure the hon. Lady will want the official discussions to cover. She mentioned the link between enterprise zone applications and regeneration. She is absolutely right to say that there should be as much synergy as possible in public investment, or in public stimulation of private investment, in both of those. It is entirely right and proper that discussions range across the boundaries and that we should not put these things in separate silos.

The hon. Lady also asked specifically about the local government resource review and the Government's announced, albeit not yet detailed, proposals for returning business rates to local authorities. I do know the answer to her question; indeed, it has been given from the

[Andrew Stunell]

Dispatch Box. However, she will have to wait for the detail of that answer for one or two weeks, when we actually publish the proposals—the correct civil service word for that is probably "imminently". I assure her that neither Stoke-on-Trent nor any other local authority will find themselves at a financial disadvantage in the first year of the operation of the scheme. It is central to the proposals that we are bringing forward that that should be the case.

Joan Walley: I realise that time is short, but our concern is not just about being disadvantaged in the first year; it is about the level on which future decisions are made. We could well find ourselves falling severely behind after three years. Will the Minister please feed that back into the final version when he announces it in two week's time?

Andrew Stunell: The hon. Lady's point is thoroughly understood. I do not think that she will be disappointed, but she is tempting me on to territory on which it really is not right for me to advance.

Alison Seabeck: Just for absolute clarity, I would appreciate it if the Minister would clarify something that he said. He stated that authorities would not be disadvantaged in the first year. Given that many of these housing and regeneration projects are much longer programmes, I think that we would all have serious worries if, after the first year, those authorities were disadvantaged as a result of the changes.

Andrew Stunell: I was responding to the suggestion that Stoke-on-Trent might lose £26 million. Stoke-on-Trent will not lose £26 million. I think that I have already made our intentions clear. There have been some other statements, but the detail of the scheme will be well debated when it is published, so I think it is best if I go on to respond to several of the other points that were made in the debate, if I may.

It is way over the top for the hon. Member for Hartlepool (Mr Wright) to say that the Government's decisions have set areas back by decades. That is absolutely not the case. Investments have been made and, even in this debate, reports have been given of their success. It might be said that there is a greater belief in the successes among Opposition Members than Government Members. It is absolutely not the case that such work will be set back as a result of the decisions that have been made.

I want to link that to what the hon. Member for Hyndburn (Graham Jones) brought to the debate. I leave aside his dismissal of deficit reduction, because that sensible Government aim underpins our whole financial strategy. The hon. Member for Hartlepool must be well aware of the deficit problems found by the incoming Government. However, the hon. Member for Hyndburn cannot have his argument both ways: it seemed to be that the fundamental difficulty in east Lancashire was too many homes and not enough people, in which case it can hardly be wrong if the new homes bonus generates more houses in places with more people than it does in places with an excess of houses. I want to tell—

Graham Jones: Will the Minister give way?

Andrew Stunell: I might give way in a moment, but not until I have finished my sentence at least.

I want to tell the hon. Gentleman that the £62,000 is the first payment in six years of payments on the homes brought into use in his area in the past year. That will be augmented by the homes brought into use in successive years. That £360,000 is real, additional money that Hyndburn would not otherwise have received. Some local authorities—Sefton metropolitan borough council, for instance—have used the incoming income as an underpinning guarantee to raise loans and finances in order to proceed with regeneration. That was one of the projects that my right hon. Friend the Housing Minister visited in Merseyside a few weeks ago.

Graham Jones: I was clear about what I said: if there is an oversupply of houses—more houses than people—there is low demand, and therefore, naturally, less from the new homes bonus. Hence we end up with the figure of £62,000, which is the 11th lowest in the country. The argument is perfectly logical, but it falls down when the Housing Minister says on the Floor of the House that we should not worry about losing housing market renewal because we will get the new homes bonus. That is where the argument falls down; the rest is linear with all the ducks lined up—that is my point. On the Under-Secretary's mention of extra money, the new homes bonus is being top-sliced from the formula grant after year two, and it is also being taken from the planning delivery grant, so I do not accept his point.

Andrew Stunell: First, my right hon. Friend the Housing Minister has certainly not said that regeneration will be funded by the new homes bonus—his point was that it is an important contribution. The example of Sefton shows that local authorities are well able to exploit that and to benefit.

Jack Dromey: Clarity on the issue of the regional growth fund is of the highest importance in circumstances in which the Minister for Housing and Local Government has treated the House with contempt by not being here today and by not replying to my letter of 29 June. The Housing Minister has said on the Floor of the House and in a letter to local authorities that the regional growth fund can be accessed for capital projects to support housing growth. However, Lord Heseltine has said that housing renewal is not being addressed through the regional growth fund. He went on to say:

"perhaps any minute now I'll get a letter".

Perhaps any minute now we will get an explanation or a letter—or both.

I have a final point to make while I am on my feet. Earlier, following powerful representations from Members of Parliament affected by the cruel cutting short of a visionary programme, the Minister described what they said as "sob stories". Will he take the opportunity to withdraw what he said?

Andrew Stunell: Let us focus on the regional growth fund because time is limited. The spokesperson for the Opposition said that round one of the regional growth fund supported bids in renewal areas in Hull and Wakefield, so it is absolutely not the case that regeneration projects are not being funded by the regional growth fund.

I was not privy to the evidence of Lord Heseltine, but I have seen the reports and heard the quotes, and he said that the terms of reference of the regional growth fund are to promote—funnily enough—growth in the regions. There is no automatic link to housing market regeneration projects although, as hon. Members have mentioned, there are employment, environmental and social benefits to successful regeneration. I take it as clear that the bids accepted from Hull and Wakefield must have met the criteria of supporting growth, as well as the social and environmental criteria about which hon. Members have spoken today.

The bids for round two of the regional growth fund have been submitted and are, no doubt, being evaluated by Lord Heseltine's advisory committee. The bids are signed off by the Government.

Jack Dromey: We need absolute clarity: are we therefore returning to the original position? In the Housing Minister's letter to the local authorities, he said:

"we will also provide access to a Regional Growth Fund to fund capital projects which could support housing growth"

and housing renewal. Are the Government now saying that the regional growth fund can be used for such purposes?

Andrew Stunell: Not only that it can, but that it has. In Hull and Wakefield, it has been used for such purposes. All bids must be evaluated, their strength must be measured and their contribution to growth must be considered. It is therefore not the case that a large slice of the regional growth fund is diverted into social and housing regeneration. However, when social and housing regeneration can contribute to growth, a project will be not only eligible but, as in the cases of Hull and Wakefield, successful.

I will now make some progress—

Jack Dromey: Will the Minister give way?

Andrew Stunell: No, I will not give way. I have made the point absolutely clear and I am moving on.

On the former renewal programme, the reality of the fiscal deficit means that we have had to take tough decisions about where savings can be made and to ensure that we focus on growth. The previous Government's programme was far too centrally driven from Whitehall and, by proxy, sometimes too centrally driven from town halls. It included targets for demolition and, in that sense, it was all too literally top-down, as the hon. Member for Stoke-on-Trent North acknowledged. It resulted in imposed schemes that were often resented by local communities and created as many problems as they solved. That approach has not worked, and has often resulted in blighted areas in which large-scale demolition and clearance projects have come to a standstill.

In my last minute, I shall speak about the sum of £30 million, which is to be matched by other funding. Bids have so far been received from all five eligible areas and the indications are that the match funding will be available, thus allowing £60 million to be spent. That £60 million is the assessment of what is needed to get the existing schemes into a shipshape position—viable environmentally and locally—so that the next stage of development in those areas can happen. There is a process, and I can tell the hon. Member for Liverpool, Wavertree that Liverpool city council has submitted a substantial bid. Officials will consider it and, no doubt, will make recommendations to Ministers in due course. We are ensuring that, at the national level, £261 million is available for market renewal in 2010-11, which is a substantial amount. Also, the reason why the five were chosen was not arbitrary, but because of the improvement in those areas—

Mrs Linda Riordan (in the Chair): Order.

Drivers and Diabetes

12.30 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I rise to raise the matter of type 2 driving licences for public service vehicles and large goods vehicles, particularly disqualification as a result of having insulin-dependent diabetes. I raise the matter primarily because a constituent, Mr Donald Campbell, has brought it to my attention, having had his licence removed in curious circumstances, which I will come to. However, I would like to say at the outset how grateful I am to Diabetes UK and other people who have been in touch to brief me on this debate.

May I say at the outset that I do not for one moment question that it is absolutely correct that, when medical conditions may cause a safety issue, they should be proscribed? A range of conditions are taken into account, and people who suffer from them, whether they hold group 1 or group 2 licences, may be prevented from driving. I do not for a moment question that. Having been a transport spokesman for my party two Parliaments ago, and having been a member of Standing Committees on various legislation, I am well aware of the importance of road safety and of this country's extremely good track record. We obviously want to keep the number of deaths and injuries to an absolute minimum; we have a good track record compared with many other countries, and nothing should be done to prejudice that.

At the same time, although it is proper that people with some medical conditions should be prevented from driving, others—with proper supervision and consultation, perhaps with annual or periodic check-ups—should properly be permitted to drive. The other question is whether it is right to remove someone's livelihood in the case of a group 2 licence when the example of other countries and, indeed, medical advice suggest that that is unnecessary.

I will give a rapid history, which I am sure the Minister is as well aware of as I am. The regulations precluding insulin-dependent diabetics from obtaining vocational licences were introduced in 1991, and annex III specifies that for drivers of LGVs and PCVs,

"driving licences shall not be granted or renewed for applicants or drivers who are diabetics needing insulin treatment".

Since 1 April 1991, insulin-dependent diabetics have been barred by law from applying for such a licence, and indeed from renewal thereafter. A point in parenthesis is that those who held a licence under certain conditions had grandfather rights, and some people may still be driving with those rights. I will come to why that is important.

In August 2009, following reports from three medical working groups, the European Commission adopted an amending directive, 2009/113/EC, on the driving licence rules covering eyesight, epilepsy and diabetes. The change to the rules allows member states to issue group 2 licences to drivers with insulin-dependent diabetes when, in the opinion of a qualified medical practitioner, the condition is properly controlled and they pose no risk to themselves or other road users. That change should have been in force by August 2010, but the UK was unable to meet that deadline, and a consultation paper was eventually put out in February this year. The consultation has now closed, but I understand from a reply from the Minister to a parliamentary question that the Government are now saying that further input from some of those who have responded may be necessary. That is the situation at present.

My constituent, Donald Campbell, has type 2 diabetes. He was diagnosed in 2000, but was not treated with insulin until 2005, when he was advised by doctors to change his medication to slow-release insulin to protect his long-term health. Since then, his health has improved considerably, for which I am grateful, and at his annual check-ups his consultant tells him he is going from strength to strength. Mr Campbell notified the Driver and Vehicle Licensing Authority of his use of insulin in 2005, and his LGV licence was immediately withdrawn. However, two years later, in August 2007, the licence was reinstated. Mr Campbell was obviously extremely pleased about that, and returned to full-time driving with no problems. He renewed his licence in 2008 and 2009, so he had three years of driving. Not until last summer did the DVLA recognise that under the present regulations, it had reissued Mr Campbell's group 2 licence wrongly. While Mr Campbell was driving, he experienced no problem whatever, and he has been driving alongside those with grandfather rights—hence their importance—and those from other EU countries who have already been given the right to drive on such licences. At the moment, his job is being held for him pending the possibility that the UK will catch up.

This is an opportunity for the Minister to right a long-standing wrong perpetrated by the EU. Had there been no original directive, undoubtedly the traditional elements of British fair play would have come into effect, and the sort of rules we are now contemplating would almost certainly have been those that Her Majesty's Government adopted. It has come to pass that the EU, having seen the error of its ways, has put in place that which will allow the Minister to correct an obvious wrong—I know how much that will appeal to him. The change is open and available, and has been adopted by other EU countries, so it is peculiar that we are dragging our feet; perhaps the Minister will address the reason for that, and the safety aspect. Why are we content that drivers from all sorts of other countries enjoy that relaxation and are considered safe, but we do not extend that to our own people? Are there are any statistics showing whether insulin-dependent drivers are more likely than others to have an accident?

Mr Adrian Sanders (Torbay) (LD): I congratulate my hon. Friend on securing this debate, which is not the first time in the last 15 years that the House has discussed the matter. I have had a similar debate. I suffer from diabetes, and I know people who can win gold medals, and others whom I would not trust to drive my lawn mower. The reality is that the decision should be based on an individual medical assessment, and I hope my hon. Friend agrees.

John Thurso: I entirely agree with my hon. Friend. The whole point of my case is that the medical profession can, with considerable accuracy, state when people should be taken off the road—I am sure that they apply a precautionary principle—and when they may be allowed to continue to drive. I am particularly concerned about group 2 licences—commercial licences—and my constituent. I received a recent e-mail from him which sums up the situation:

"I am sorry to be such a pain"—

he is no pain at all, I hasten to add, and has been extremely patient—

"but I am so exasperated with the whole issue—every time they take my licence away I am left trying to keep things going financially and this time they have wiped me out.". Between the worry of keeping the bank off my shoulders and the boss needing to know when I'm coming back to work, I am drained."

That shows the personal impact on my constituent. Given that the rules may be about to change and that the Government have put forward proposals that would permit him, subject to medical examination, to get back on the road and back to work, I suspect that he feels a little like a mouse that is being toyed with by a cat. The Government owe their citizens better than that. I throw myself at the feet of the Minister, whom I know is an honest and honourable man, and plead with him to lift that burden from my constituent.

12.40 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure to serve under your chairmanship for the first time, Mrs Riordan, as either a Back Bencher or as a Minister of the Crown. I hope to provide a little good news for the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso)—it is easier to say Hemel Hempstead, but I mean no slight on the hon. Gentleman's constituency and congratulate him on securing this debate. I have been a Minister a little longer than some others who have held the post over the years—the average life expectancy of a Minister in my job is eight months, so a year and a bit is an exception. I have taken a particular interest in the case of Mr Campbell and, as I am sure the hon. Gentleman realises, in the involvement of the European Union in this great country of ours.

I will summarise the details of the case mentioned by the hon. Gentleman and endeavour to address some of the issues, particularly those relating to Mr Campbell. At the moment, the law is specific, which was not done on my watch—although it is my Department and the buck stops with me. When the Driver and Vehicle Licensing Agency gave the licence back to Mr Campbell, it messed up. I know that it wrote to him, and I have a copy of the letter, which could have been worded better and showed more empathy and understanding about the effect that the decision on his licence would have on Mr Campbell, his family and the company for which he worked. I apologise for that, and if Mr Campbell were present today, I would apologise to him personally. We need to address problems as we go forward. I cannot right the wrongs of the past, but we can try and ensure that they do not happen again. We must look at how best to address such situations, and avoid the foot-dragging to which the hon. Gentleman—probably quite rightly—has alluded.

The law in question concerns epileptic fits, diabetes and visual impairment. The consultation by the DVLA has been well taken up and a lot of work has been done. However, the situation is complicated, because the law includes those three areas. The areas of visual impairment and of fits are more complicated than that of diabetes, but all three issues have been rolled into one. The hon. Gentleman is right: ideally, we would have produced proposals to address all three areas by now, but, if I am honest, we will be unable to do that by the October deadline. As I have said to my officials, we will produce proposals on diabetes, which will be based on clinical advice. I will be subject to criticism from those involved in the other areas on which we are not yet ready to introduce proposals. My view, however, is that if we are ready to introduce proposals in one of those areas—by October, we should have a proposal on diabetes—we should go ahead and remove the blight that affects not only the hon. Gentleman's constituent but many other people around the country.

It is imperative that we do that that without affecting road safety and, as the hon. Gentleman said in his opening remarks, that is the principle from which we start. The UK has a good record on road safety—indeed, we have the safest roads in the world. A new report on the number of people killed or seriously injured on the roads last year indicates that we are now doing even better. Over the years, we have struggled in some areas of road safety to get the right results, particularly concerning serious injuries for motorcyclists, but—as a biker, I declare an interest—we did particularly well in that area last year.

Of course, there are too many deaths, and we need to look at the core of the issue, which we are doing in the road safety strategy. It is, however, absolutely imperative that we do not use a sledgehammer to crack a nut. Medically, the treatment of type 2 diabetes has moved on in leaps and bounds to say the least. I was a shadow Health Minister for three and a half years and I took a particular interest in the public health side of things. Soon, we will be moving away from injections altogether, because there will be aspirators, and we can make it much easier for diabetic patients to get on with their lives and address their insulin issues.

The issue of hypos is important, as are other matters such as visual impairment. My point of view as a non-medically trained Minister is that a clinician must decide whether someone in the groups that we are talking about—particularly group 2—is fit to drive. Hopefully we will bring forward proposals on diabetes in October. We are further behind in the other two areas and, as the hon. Gentleman said in his remarks, we need more consultation on those issues, in particular on the control of epileptic fits.

There is some concern from the road safety lobby that we will be reliant on people addressing their need for insulin treatment themselves. Two members of my family are reliant on insulin—one is a type 1 diabetic; the other is a type 2 diabetic. They sometimes get it wrong, and everybody understands that. We must have full confidence that if diabetes is controlled by insulin, the condition is stable and the clinicians are happy with the situation. If that is the case, we should be able to agree in October that after medical assessment and agreement—which will be continually assessed as things progress—we will allow insulin-reliant diabetics in the classes mentioned by the hon. Gentleman, and particularly those in group 2, to drive. I said that there is some good news.

That will not, however, address the problems experienced by Mr Campbell. Under the present rules, the DVLA was right to take his licence away and fundamentally wrong to give it back and not to pick up the mistake sooner. Everybody makes mistakes, but it is crucial to

[Mike Penning]

ensure that such things happen as little as possible, because they have such dramatic effects on people's lives.

The hon. Gentleman asked whether statistics are available to show whether diabetics who are reliant on insulin are more likely to be involved in an accident. As I understand it, we do not have such statistics and when the European Commission looked into the matter, it used the fact that there was no evidence available to change its mind. As hon. Members will realise, I am ever so slightly Eurosceptic, so it is great news that UK plc is again allowed to be in control of procedures and safety on our roads. Our borders are open to anybody from the European economic area or the EU who wishes to drive in this country, which is right and proper.

I fully accept that other countries have moved faster than us, but they do not have roads that are as safe as ours. Many of their Ministers and officials come to see me to see how we manage to have such safe roads. If they were slightly more vigilant in how they enforce road safety, the position might be different. In the area that we are debating today, they may have got things right a little more quickly than us. I fully accept that there is an anomaly between on the one hand drivers with grandfather rights and overseas drivers and on the other hand UK citizens who are being penalised. I think that we will be able to wipe that away very soon—in October, I hope.

John Thurso: I am extremely grateful for the reply that the Minister is making, in terms of both the tone—I am sure that my constituent will have noted his remarks and be grateful for them—and the good news in respect of diabetes. The Minister has mentioned October. Will that be when the Government promulgate the change to the regulations? Am I therefore accurate in saying to my constituent that he might look forward to being able to take the medical exam in October, permitting him to go back to work shortly thereafter?

Mike Penning: I think that Mr Campbell should be at the front of the queue in October—I think that that is the least we can do for him. I hope that he sees that the Minister understands what went wrong and is trying to address the matter as soon as possible. Yes, we will move the relevant orders in October, when the House returns from recess. The process will start in October in relation to the particular area of diabetes, and more work is required in the other areas. I hope that people understand that I need more time on the other two medical conditions.

Mr Sanders: I want the Minister to be under no misunderstanding about this. It is critical that whatever change is brought in enables people with diabetes to be confident about declaring to the licensing authority that they have the condition, because we do not know how many people there are with the condition who, fearing the loss of their licence, do not declare it.

Mike Penning: The hon. Gentleman has touched on an important point, which is one of the reasons why I have moved as quickly as I can on this issue. I want members of the public, after they have been diagnosed with diabetes and start treatment, to be confident about coming forward and saying that they have been diagnosed with type 2 diabetes—or whatever the condition is—and about being assessed fairly, so that either they can carry on driving in whatever categories they are designated as being able to drive in or they understand why, at that moment, their licence needs to be revoked and withheld from them. That will happen in some cases.

I can refer to my own experience with my father-in-law; I am sure that he will not mind my doing this. He was a complete scallywag about admitting that he was a type 2 diabetic in the first place, despite what all the doctors were telling him. He said that he could address the situation through his food intake or with tablets. Eventually, we convinced him that he had to go to insulin injections. In fact, it was not me; it was his daughters who eventually convinced him. They said, "You're going to kill yourself if you're not careful." At the time, his medication had not been got right to the point where he could be allowed to drive. His diabetes was not controlled, so he had regular hypos.

People need to be able to have confidence that once their condition is addressed—if it can be—the independent medical practitioner assessing them will either allow them to drive or indicate to them what levels they need to be at to get their licence back. At the moment, there is a grey area. People think, "What do I need to do? Where do I need to be? Will I ever get my licence back?" The issue of fairness is fundamental. I think that that is what the hon. Member for Caithness, Sutherland and Easter Ross, who secured the debate, was saying. I will use an old-fashioned term—natural justice. I use it as much as I can as a Minister. There is an ex-Minister in the Chamber now for the next debate. I hope that all Ministers, when they look at the effect that they are having on a constituent anywhere in the country, look at whether justice is being seen to be done.

Licences are often taken away for the right reasons. I understand why they are taken away, but I do not think that we explain particularly well either the rationale for that or the likelihood of the situation changing. As I have said, the Government will produce new proposals in October. We want there to be an open, clean discussion in which things are explained. We want people to be told, "This is where we need you to be to get your licence back. You can't have your licence back at the moment because you haven't reached that point." However, there is a link between visual impairment and diabetes, so in some circumstances people would be unlikely to get their licence back. My father-in-law is now registered blind, because of his diabetes. It was not treated early enough; he admits that that was his fault and nobody else's. As a result, he will never get his licence back. We need to be honest with people, which is where natural justice and fairness come in.

I hope that I have been open and honest. We are proceeding as fast as we can. The representative groups for the other two medical conditions will criticise us for not moving as fast on those conditions as I have just announced that we are on diabetes. That is simply because I do not yet have the evidence base behind me to be confident enough from a road safety point of view—I am thinking of the driver as well as their loved ones and other road users—to move forward. As soon as I can move on the other categories as part of the

review and the consultation, I will do so, but I hope that in October Mr Campbell will have some control over his future income and his life.

Public Spending (Coventry)

12.56 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): I am grateful to you, Mrs Riordan, for chairing the debate and to Mr Speaker and his office for agreeing to it. It is a very important debate, in the course of which I may be joined by two other MPs. I think that both were meant to have approached the Chair to say that if time permits—I hope it does—they would like to say a few words. We will of course leave adequate time for the Minister to reply.

The occasion of the debate arises from some work done two or three months ago, shortly after the Budget came out, by my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper). She sought to show that the Budget measures, far from being progressive, as the Government had tried to imply, and far from being gender-neutral, were in fact very regressive and would impact much more severely on women than on men. The work she did initially in pursuing those points to great effect against the Government was then taken up and taken further in some excellent research work undertaken at Warwick university by two senior researchers there, Mary-Ann Stephenson and James Harrison. I am sure their work will increasingly be seen as a landmark in taking forward the points that were made by my right hon. Friend shortly after the Budget came out.

Coventry was a very suitable place to use as a test case for examination of the impact of the Budget measures on women, because in Coventry the pay gap between men and women—between the genders—is already 10 points higher than the national average. Also, as we all know, the bulk of the cuts in the immediate future must come in the public sector, and in Coventry no fewer than 78% of the city council staff are women. We can therefore measure in a very significant way, across a major part of the economy in the west midlands—the local and the regional economy—what the effect of the cuts will be. I would like to deal with each point in turn, quantifying things in so far as that is possible. We can then look forward to hearing exactly what the Minister has to say in response. But if we take the cuts as a whole, it is obvious, given that 78% of the city council staff are women, that the impact will be worst on them; they will feel it most. That is a simple fact. The cuts will disproportionately fall on women.

The child care tax credit is being cut from 80% to 70% of child care costs. Obviously, women will also suffer disproportionately as a result of that. Together with increased child care costs, that might lead to lower rates of employment for women and further increase the pay gap. That has not been quantified yet, but work is continuing. Such is the interest in the issue at the national level that when a colleague and I co-hosted a meeting to discuss it, the Members who joined us in the Committee Room came not only from the west midlands, but from all parties right across the spectrum. The room was full to capacity, and there was standing room only; it is not often that that happens in a public meeting in a Committee Room.

The second issue is housing. Single women are the main recipients of housing benefits; again, that is pretty obvious. In Coventry, about 4,360 single women and

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2,085 women in couples claim local housing allowance for private rented accommodation. LHA coverage has been cut and now applies only to the bottom 30%, rather than the bottom 50% of households. It will also be linked to the consumer prices index, rather than to local rents, which will almost certainly mean—this is why the Government have also chosen CPI for their pensions calculations—that its value will go down over time. Again, women make up by far the greatest proportion of those who take up this benefit, so they will, yet again, suffer disproportionately.

This time, we can put a figure on the cost, and perhaps the Minister can confirm or contradict my figures in her reply. In the short term, the changes will cost those who are affected in Coventry between £8 and £15 a week. If that is not right, perhaps the Minister will correct me. Again, however, those are hidden effects, and they are not spelled out in any of the Government's background notes to the Budget or anywhere else in their calculations. Those hidden effects, which the Government have tried to cover up, are impacting directly on women in Coventry and, therefore, on their families.

On incomes and poverty, it is pretty obvious that women are poorer than men—that is a statement of fact. As I have discussed, they also get a higher percentage of their income from benefits. For example, 33,595 households in Coventry receive tax credits, and 35,000 receive out-of-work benefits. The proposed changes will, once again, impact on women. The changes include cuts to benefits to pregnant women and families with new babies, the freezing of child benefit, cuts to child care tax credits and cuts to the numbers who are eligible for tax credits. Lone parents will be required to seek work once their eldest child is just five. Those changes will have big impacts, and I will quantify them in a moment.

Disability living allowance is being cut by 20%. Someone claiming for a person who loses DLA will also lose carer's allowance. It is a pretty heartless Government who attack the most vulnerable in our society in that way. It almost seems that the Government have zeroed in on women to prove the point made by my right hon. Friend the Member for Normanton, Pontefract and Castleford.

The benefit and tax changes in the 2010 Budget will cost women in Coventry £29 million, which is an awful lot of money. On a broad calculation, that is more than £180 per woman per year, so the Budget will have a significant impact. However, the impact on the budget of the average family and the average woman was set out nowhere in the Government's figures. The cost to men will be half the cost to women. Again, I would be happy for the Minister to try to challenge my figures—if she can.

On education, many women have to balance a job with looking after the kids and getting them to school. Like most authorities—I do not think Coventry has been unduly affected in this respect—Coventry has had its schools grant cut. The 24% cut to the schools budget has resulted in a cut to special needs and mental health support in schools—that is where the impact will be most heavily felt. In no sense is that to be taken as a criticism of the council. Indeed, I am pleased to say that in certain parts of the report, the authors go out of their way to say just how responsibly the council is trying to carry through the cuts. The council appreciates that the cuts have to be made and is trying to make them in the least regressive way it can to protect children, women and other vulnerable sectors of society. It is not picking out those with special needs, and nor is it in any sense exaggerating the cuts that have to be made; it is simply making the cuts that are necessary to stay within the law.

In passing, I have heard it said—I hope the Minister can discount this at once, and she probably can—that the Government could be in breach of Equality Act 2006 and, on an individual basis, the European convention on human rights, given the effects of so much of the 2010 Budget. I am not clear whether test cases are being brought, although I did try to find out. However, it would be interesting to learn from the Minister whether any are being brought and if so, how far they have got, because some of the Government's measures are clearly so discriminatory—as well as being at least questionable under the terms of the 2006 Act—that they could be subject to judicial review, as I hope they will be.

On violence against women, the report produced a figure that shocked everybody—from my researchers to the report's researchers. Let me give the numbers, shocking though they are. Some 30,397 women in Coventry are likely to have been raped or sexually abused at some point in their lifetime. If we remember that there are 310,000 people in the whole of Coventry, and we divide that by half or slightly more to reflect the percentage of women in the total population, it is clear that that statistic for the likely number of women who will face some form of sexual abuse at some point in their lifetime is frightening and really rather offensive. Some 38,537 women are likely to experience some level domestic violence in their lifetime. Again, I do not think the researchers wanted to attach any undue importance to the exactitude of their estimates, but the broad measure is shocking.

The provision that was made to deal with that situation was already inadequate, although heaven knows we pushed for a higher level of support from the council and the Labour Government—I am not pretending that the Labour party did a marvellous job. There are eight specialist domestic abuse officers to deal with the situation I have described.

Mr Bob Ainsworth (Coventry North East) (Lab): I have been waiting for my hon. Friend to get on to the section of the report that deals with violence against women, because it really is most disturbing. Organisations such as the Coventry rape and sexual abuse centre are worried about funding, although the council has agreed to give it part-time funding, which is not secure. However, it is not just a matter of the sharp end of abuse against women. If women become more dependent on men as a result of the cuts, some will be inclined to stay in homes where they are potentially vulnerable and where they may be abused. That is clearly brought out in the relevant section of this first-class piece of work.

Mr Robinson: I am grateful to my right hon. Friend, who is spot on. The cuts to housing benefit will make it harder for women to move from the area to get away from their attacker. That is precisely the point made in the report, and my right hon. Friend rightly emphasised it recently in the press in Coventry.

Mr Jim Cunningham (Coventry South) (Lab): I apologise for having been a minute or two late, although the debate might have started early. My hon. Friend and my right hon. Friend make a valuable point. For a long time, the rape crisis centre in Coventry has struggled, to say the least, to get resources, and the cuts will make the situation worse. Do the figures for women who are abused or raped in Coventry—or anywhere else for that matter—not call into question the Government's policy on cutting legal aid and funding for citizens advice bureaux, because vulnerable people, and particularly women, will often use those agencies?

Mr Robinson: My hon. Friend is exactly right. Perhaps I may take a second to say that I think my hon. Friends want to say a word, if they are able to catch your eye, Mrs Riordan, and if we have time, about the wider aspects of the issue. After all, if more women are trapped in violent relationships there will be greater mental, physical and sexual health problems for them as a result, with an increased cost to the taxpayer. The NHS will have to cope when it is already under tremendous pressure and its budget is being dramatically cut. The issue is wider than just the reduction, although the Minister needs to explain how anyone can justify cutting the number of Coventry's specialist domestic abuse officers from eight to two and reducing rape support resources, at the same time as other measures will clearly increase the likelihood of the problem that those staff and resources are meant to deal with. It seems crude and harsh, and we wonder whether it is strictly necessary to go along that path.

I want to mention the women's voluntary organisations. Overall, the council, in line with other councils, faces cuts of about £38 million in its grant from central Government. A number of streams from that are for voluntary organisations, and those are due to end; some have already ended. Those voluntary organisations face increasing demand from the communities they serve, for the reasons we have been analysing. As hardship increases and cuts bite in all the areas I have mentioned, demand will increase. As resources are cut there will be greater pressures on hospital services and the police, which are also being cut. There will be a double whammy—cuts on one hand and increased need on the other.

Women's voluntary organisations appear from the study to be particularly vulnerable, with some expecting cuts of up to 70% of their funding next year. I can inform the Minister, if she wants to deal with them individually, of the types of voluntary organisations that are particularly badly affected. Can that be looked at again? We do not expect answers to everything today, but we would like some undertaking from the Minister to check out the research funding and reconsider Government policy in the light of that. She could then tell us, "Yes, that is indeed our policy, and although we did not intend the consequences, those are the consequences and you will have to live with it." If that is the Government's message, they should be straightforward with the people of Coventry—the women of Coventry—and say, "This is the price that we are asking Coventry women to pay to put right the faults, and the massive irresponsible financial borrowings." That is all, of course, in the context of reducing the deficit caused by private sector bankers.

That seems a pretty harsh message to send to the women of Coventry, and if that is the best the Government can offer, I warn them now that the people of Coventry will not be impressed. They will in due course have occasion to express their own opinion about a Government who have been as hard-hearted and indifferent to the cause of women and children as the present Government appear to be.

Mrs Linda Riordan (in the Chair): I remind any other Member who wishes to contribute that the Minister will need time to reply, so perhaps they can keep their comments brief.

1.13 pm

Mr Bob Ainsworth (Coventry North East) (Lab): I shall keep my comments brief because the speech made by my hon. Friend the Member for Coventry North West (Mr Robinson) was very thorough and comprehensive. I want to make only one point in addition to his, and that is about funding for the Coventry rape and sexual abuse centre.

It is well known that the conviction rates for rape in this country are abysmally low. However, it has been proved beyond doubt that when an area has an appropriate service that provides support from the start, the propensity for victims to go through with an allegation, and for the conviction rate to rise considerably, is massive. We are well served by the centre in Coventry, but its funding is in crisis. It is constantly dependent on temporary funding. Despite the massive cuts that are being imposed on the council, it has agreed, for a time, to maintain some of centre's funding on a temporary basis. However, we are really struggling to continue to provide such a vital service. Were we to lose it, the impact on women in the city would be huge.

1.15 pm

The Economic Secretary to the Treasury (Justine Greening): It is a pleasure to serve under your chairmanship, Mrs Riordan, in what we would all agree is an important debate in relation to the difficult challenges that we face. I congratulate the hon. Member for Coventry North West (Mr Robinson) on securing the debate, and I understand why he has raised the issues. In the time available, I shall do my best to respond. If I feel that I have not done so, and if there are specific points on which he would like further clarification, I may well also drop him a line.

We all understand that the backdrop to the debate is the need to get the economy and public finances back on to a sustainable footing over time. As a country, we were always going to have to do that. The hon. Gentleman, for whom I have a lot of respect, talked about the deficit being caused by the private sector. We would all accept that there has been a banking crisis, but many people also recognise that something more fundamental was going wrong with the working of our economy and public finances, and that was due to the fact that we had a structural deficit. Even in the boom times—the good times—when tax revenues were rolling into the Treasury as fast as they were ever going to, that money was still not enough to cover the country's outgoings.

The Treasury Ministers dealing with public finances in the present Government are therefore in a position in which I assure the hon. Gentleman that we never wanted to be. We had to take the decision that it was in

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everyone's interest to get the problem sorted out during the course of this Parliament. When we look at the problems in countries in the rest of Europe—we need only look at Greece—we see that there is still an economic crisis, and our country needs to stay out of it. Our deficit reduction plan is critical in enabling us to do that.

The hon. Gentleman raised the question of what is the fairest way to approach the situation. How can we achieve a balance between getting our public books back into order and making sure that the process is fair—that is one of the key points of the spending review and the Budget—while stimulating growth at the same time? The hon. Gentleman will be aware that one thing that we chose to do in the emergency Budget was to reduce corporation tax, and we built on that with a further cut in the most recent Budget. We tried to strike a balance between cash-flow issues—the money side—and putting ourselves in a position to ensure growth in the economy, particularly in parts of the country such as Coventry and the midlands that suffered in the recession.

Some research now shows that the west midlands in particular suffered disproportionately, and that gives us a double challenge. When I was an Opposition MP, I would have argued that, during the boom years preceding the recession, parts of the country outside the south-east did not do well enough. According to statistics, between 2002 and 2006, for every 10 jobs created in the south-east and London, just one in the private sector was created outside.

Mr Robinson *rose—*

Justine Greening: I will give way in a second.

What I have described was a big problem. In addition, because of the continued hollowing-out of manufacturing in the previous decade, the west midlands suffered particularly, and I recognise that women also suffered as part of that.

I shall now give way to the hon. Gentleman, but I assure him that once he has intervened, I shall speak about some of the matters that he raised, particularly in respect of women.

Mr Robinson: I am sorry to interrupt the Minister. On this occasion, I am not going to disagree terribly about whether things are regressive, not fair or not sufficient, nor about whether they are too fast. The point here is to have a close look at the effect on women, as my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) has stressed—the Minister herself has a keen interest in the matter. If we could consider the impact on women, I would be very grateful.

Justine Greening: We were careful in the spending review not only to consider its impact on women, but to understand its impact across the deciles. The hon. Gentleman asserts that the spending review and the Budget were regressive. However, research shows that it is the very richest people in our country who are bearing the brunt—they bear the biggest load—of tackling the deficit.

We have tried to ensure that we provide support for women through tax measures and several of our public spending measures. The hon. Gentleman spoke about the difficult decisions that Coventry city council is having to make. He has doubtless raised the matter with local councillors and the council leader, and discussed especially whether the deficit reduction piece that has fallen on Coventry is being carried out locally in the right way to deal with the local people's priorities.

I take seriously what the hon. Gentleman said about particular issues, such as rape and support for women. As a local constituency MP, I have taken a particular interest in ensuring that refuge and support are in place for women. Many of these women who need such support are not from my community, but come to it because they must get away from difficult situations. The hon. Gentleman was absolutely right to raise the matter.

The Government have allowed councils more freedom in how they spend their money. A lot of ring-fencing has been removed precisely to enable councils to take more locally focused decisions in these difficult times about where money goes.

The hon. Gentleman also spoke about voluntary organisations. I assure him that we are committed to supporting them—not because of the difficult spending review settlement and the difficult situation with public finances in which we find ourselves, but because it is the right thing to do. One of the less publicised parts of this year's Budget was the big package on philanthropy and there was also a package in support of gift aid. We need to consider what can be done to help voluntary organisations. We also changed AMAPs—approved mileage allowance payments—to help voluntary organisations in terms of volunteers and passengers.

We have taken further equally important steps. For the first time, we published an overview of the impact of the spending review on groups protected by equalities legislation, including women. The increase in personal allowance will help 880,000 of the lowest-paid workers—they will stop paying tax altogether—and we know that the majority of those at the bottom end of the low-income scale are women. We are also pushing the personal allowance higher. One thing that we have in the back of our minds is the fact that many of those workers were hit by the withdrawal of the 10p tax rate. In a sense, my challenge to the hon. Gentleman is whether he was making such points when the Labour Government were withdrawing that rate, as that change affected a number of women.

We have also tried to support families. The hon. Gentleman mentioned the House of Commons Library research, and if I have time—no, I shall make time—I shall say why we do not agree with its analysis, although it clearly made an important contribution to the debate. We increased child tax credits because we were particularly concerned to ensure that we did not go backwards on child poverty, even in these challenging times. As he pointed out, the change will be important for the many women in single-family households.

As for pensioners, we have re-established the earnings link and put back the triple guarantee. We know that women are far more likely to rely on a state pension than men, and of course they are also likely to live longer, so that will help them, too. Those are the sorts

of things that were missed in the research carried out by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper).

Mr Ainsworth: The Minister talks about the impact on women of the pension changes, but does she not feel that the speeding up of the equalisation will be disproportionately onerous on those women in their mid to late 50s who will have no chance of making up for the now increased burden of providing for their own pensions? Put simply, they do not have the time to improve their pension pots.

Justine Greening: I recognise the debate that is taking place about that, but I also recognise that we have to be fair to everybody, and that means ensuring not only that our state pension system is fair to women today, particularly those nearing pensionable age, but that it will be fair to women of my age and to younger generations. They deserve to know that they can rely on state pension into which they pay through national insurance and any occupational pension that they might set up. For the women of the future who are now in our primary schools, the huge problem of our deficit and the public debt needs to be sorted out so that it does not fall on their shoulders later.

I now turn to the important point of what the hon. Member for Coventry North West said about the Library analysis. As a Government, we disagree particularly with its assumptions about where benefits go and who actually benefits from them, which were understandable but not necessarily accurate. For example, the research made the broad assumption that only the person who received a welfare payment would benefit from it. The hon. Gentleman mentioned housing benefit, but that is meant to help the whole household, not just the person who receives it.

On child benefit, the research apparently showed that the spending review and the Budget hit women particularly hard. Child benefit and child tax credit—the latter went up this year and will increase again next year—are designed principally to help the child, and the child can be of either gender, so it is not particularly accurate to say that our approach would necessarily hit women.

I recognise the hon. Gentleman's statistic on the proportion of lone parents who are women. However, the analysis missed out the fact that in some of the areas that we have protected, such as health, women particularly benefit. We are taking steps to improve the amount of breast screening for cancer. At the moment, the breast screening programme offers screening every three years for all women in England aged 50 and over. Women aged between 50 and 70 are invited for screening routinely, while women over the age of 70 can request free three-year screening, but we are extending that programme to include women aged 47 to 49.

Mr Robinson: We have reached the interesting part of the debate—I wish we could have got on to it earlier. The debate is obviously about Coventry, but the points being raised are of general significance—they are major policy matters throughout the country. Will the Minister tell us on which particular points the research is weak, because I do not agree that it is? Lone parents is an obvious area to consider, because they are mainly women, and the disproportionate impact on women is precisely what we are discussing. We will not have time for that today, but will the Minister reply to the point about the research?

Justine Greening: I shall write to the hon. Gentleman to elaborate on those points that I cannot answer now.

We cannot consider only one aspect of the decisions taken in the spending review and ignore the weight of the rest of those decisions. They affect not only women, but everyone. I assure the hon. Gentleman that we are committed to ensuring that the difficult decisions that we have to take—they will be difficult—are fair. We have produced more analysis with the emergency Budget, the spending review and this year's Budget to help people to understand how those decisions fall across our communities, and I hope that that is helpful to the hon. Gentleman.

Benefits (EU Nationals)

1.30 pm

Mrs Anne Main (St Albans) (Con): It is delightful to serve under your chairmanship this afternoon, Mrs Riordan. This is an important debate. I have a brief time in which to speak—I wish that it were longer—but I will allow my colleagues to make brief interventions, if they need to make a particular point.

Can British taxpayers, with a massive budget deficit of £143.2 billion, afford to be so generous with their benefits payment system to everyone who tries to claim? Are we the benefit pot for the EU or the UK? Do we, through our lax approach, encourage benefit tourism?

Under EU rules governing non-discrimination against other EU member citizens, many of our benefits are ultimately available to many of the citizens who have decided to join us from other EU member states with only a few exceptions for some accession countries. The amount of benefits being paid has risen enormously, and our own Chancellor, in his spending review, is looking at ways in which to bring down the welfare bill. I suggest that we start with EU benefit tourists and by closing some of the loopholes that have been exploited by the canny.

My colleagues will not be surprised to hear that I am no fan of the bloated, greedy, meddling Euro-state. I did not vote for it, and the power-creep that has gone on over the years is abhorrent to many older citizens who voted for a common market based on trade. In 2004, 10 countries joined the EU, and their citizens are afforded the same rights as those of other EU member states. Transitional measures for up to seven years restricted the right of freedom of movement for labour for eight of the 10 new accession states. Often called the A8 countries, they are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Ireland, Sweden and the UK were the only EU member states to grant full labour market access to the A8 nationals. Other member states maintained their existing work permit arrangements or implemented a modified work permit regime.

At that time, we foolishly implemented a transitional set of arrangements covering a workers' registration scheme. These arrangements have lapsed for the A8 group as of this year. That category of EU migrant worker will be able to claim jobseekers' allowance, council tax benefit and housing benefit on top of other benefits such as child benefit. If the Migration Advisory Committee's report of 2009 is anything to go by, we can expect an even greater call on our benefits now that the transitional arrangements have lapsed. The MAC report looked into extending the transitional arrangements for EU migrant workers until April 2011.

In 2008, the MAC reviewed the evidence on drivers for migration. Relative income levels—GDP per capita expressed in purchasing power standard—in A8 countries demonstrated the strongest relationship to immigration rates. We must learn from history. If there is a direct link, as outlined by the MAC in 2009, that people from poorer countries are more likely to come to work and claim benefits in Britain, then we must expect that when the current transitional arrangements for Bulgaria and Romania lapse this year, or in 2013 if we achieve an extension, many thousands of them will come over, too. We cannot walk into a potentially burgeoning welfare commitment with our eyes closed, and we must act to protect our public finances. We cannot castigate the previous Labour Government for massively underestimating the number of Polish migrant workers who would come to the UK and then put the blinkers on our own eyes when it comes to the A2 countries.

The MAC report showed that, relative to other A8 countries, Poland had a much lower GDP per capita than Britain, and so many Poles came to the UK to seek work. As the right hon. Member for Birkenhead (Mr Field), in his capacity as poverty tsar, has been advising the Government, it is no secret that nearly 90% of the newly created jobs have been filled by migrant workers, many of whom have dependent families back home. With an even worse GDP per capita for both Bulgaria and Romania, we must expect them to react to their circumstances in the same way and to seek a more affluent lifestyle on our doorstep.

We should have learned a lot from the failure of the previous Government to protect the coffers of the UK from EU migrants seeking, very understandably, to better their economic lot and that of their families, many of whom will have stayed behind in their mother country. I do not blame them; they are simply working within a set of rules that we have stupidly put in place.

Mr Andrew Smith (Oxford East) (Lab): This is an important subject, and I congratulate the hon. Lady on securing the debate. Does she not accept that in judging this in the round, we also have to take into account the benefits to our economy and to other economies of freedom of movement? Should we also not take account of the benefits that accrue to British citizens through having rights of movement to other EU countries?

Mrs Main: There are undoubtedly benefits, but we are talking about countries with different levels of affluence. Although we benefit from some hardworking migrants, we also have to open up our benefit pot. It is no good expecting our country to withstand massive cuts in benefits and services to try to tackle a budget deficit while, at the same time, handing out largesse elsewhere. I want to examine those failures and learn from them, especially as Romania and Bulgaria will soon enjoy full accession rights.

There is no point in any of us wringing our hands, berating the shortcomings of the previous Government and moaning that our hard-earned taxes are being sent abroad if we are not prepared to tackle this. I urge the Minister to take note and, hopefully, take action.

Child benefit is a notable example that has caught the eye of hon. Members in all parts of the House. I pay particular tribute to my hon. Friend the Member for Witham (Priti Patel) for her sterling work in uncovering recent data that show how our child benefit is being transferred by EU migrants and their families.

In 2007, the Secretary of State for Transport, my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond), who was then shadow Treasury spokesperson, said:

> "There are 200,000 more British children living in poverty than a year ago. Child benefit is a vital weapon in the fight against child poverty. So why is Gordon Brown sending thousands of pounds of benefits every week to children who do not live here and who may never have even visited the UK."

I totally agree, so why are we still doing it and why will we keep on doing it in ever greater amounts when the new A2 countries will equally want a slice of our benefit pie? We cannot just hope that other countries may not know about the apparent advantages of seeking benefits in our country.

At the time my right hon. Friend made his comments, the biggest Polish newspaper in Britain, *The Polish Express*, ran a story headlined "Benefit Hunters", which claimed:

"The longer we are in Britain, the more rights to social security we are given and the better we are taking advantage of them."

It gave advice on how to claim and described the case of one Polish migrant who was given a two-bedroom house shortly after applying to a housing association without any need to join a waiting list. The paper said:

"The formalities concerning an application for social security are extremely simple. Do not delay in submitting an application."

Sarah Newton (Truro and Falmouth) (Con): Does my hon. Friend agree that the NHS should also do more to reclaim the costs of treating EU nationals? Those costs can be a very great burden on hospitals such as mine in Treliske.

Mrs Main: My hon. Friend makes a valid point. I will touch only on some of the benefits, but the actual list is almost endless. We cannot delude ourselves and think that people will not know about the loopholes or the benefit pots. According to Martin Beckford and Matthew Day, writing in *The Daily Telegraph* in November 2008, jobcentre staff in Poland encouraged returning migrants in Poland to continue to claim jobseeker's allowance from Britain, rather than sign on for Polish unemployment benefit, which pays much lower amounts. A quick trawl on the internet shows how EU migrants can get a myriad of advice on how to claim a range of our benefits. We must be under no illusions. We are seen as a soft touch, and we will be exploited by those who have the full might of EU law behind them.

Perversely, we are expecting our own citizens to bite the bullet on cuts in order to help slash the massive budget deficit, yet at the same time we are widening the pool of foreign EU families who are eligible to make a claim from the UK benefit pot. What we save in one corner we pay out in another. Benefit payments to newcomers from eastern Europe and other parts of the EU are not specifically recorded by the Department for Work and Pensions, but unofficial estimates put the bill at a very conservative £200 million a year—that probably does not include the NHS—and growing. Teasing out firm data on this has been difficult. In a series of questions, I have been told by the DWP that the data are not recorded or are not available due to cost. However, I was pleased to be assured by the Secretary of State for Work and Pensions on 20 June that he has commissioned his officials to look at alternative ways of making the information available.

The child benefit bombshell has been widely covered in the media from *The Daily Telegraph* to the tabloids. I find it hard to look ordinary middle-class families in the eye, particularly families with a mum who stays at home, and say, "Apparently, you are so wealthy with one of you earning just more than £44,000, you must give up your child benefit so that a family in Poland, and ultimately Bulgaria, Romania or wherever within the EU, can claim it for children who do not even live here." They are furious and so am I. It is estimated that 1.2 million British families will lose out under the new benefit rules. I am not happy that we are looking at this issue in this way.

Although in theory there is reciprocation, other EU countries have far lower benefit rates, and many EU countries also have tougher qualification rules. All those EU countries have some form of family allowance. If children qualify for benefits in their own country, why should our taxpayers be expected to support them? If we could afford it, I would rather that every family in Britain had child benefit as a right that was not means-tested—as used to be the case—instead of rationing it, especially since it now appears that any money that is saved is then swallowed up in our burgeoning welfare bill, which must include payments for EU children and families who do not even live here. If we are expected to make cuts, I want to cut back on this scam, which takes the UK taxpayer for a fool.

Mr Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on her excellent speech. I do not believe in the free movement of labour across the EU. However, if we are to have this system and if we are to have reciprocity between nations, would it not make sense that, when someone moves from Poland to this country, they should be entitled to receive the same child benefit that they would get in Poland? In other words, they should receive the rate of benefit that they would receive in their home country. That way, we would have reciprocity across the EU, but we would not have to shell out billions to other EU nationals.

Mrs Main: My hon. Friend has anticipated my next point, but I think that he will be shocked at what he will hear. The figures speak for themselves. I have taken the case of one three-year-old child, because I know that there are various rules and regulations, depending on whether a child has a disability and so on. In the UK, child benefit for one three-year-old child is £87.97; in Poland, it is £14.99; in Bulgaria, it is £15.87; and in Romania, it is £8.67. Those are the equivalent figures for euros at today's rate. We should ask ourselves, "If you could claim at a higher UK level, why wouldn't you?"

Hon. Members might be surprised to learn that we are not only paying child benefit here, at our rate, if an EU worker is eligible to claim it, but apparently we are also topping up dependants in countries whose largesse does not meet the standards of our own largesse. We should be asking ourselves, "Why are we paying top-ups to less generous countries where the level of child benefit has obviously been set at one that the country deems acceptable?" When conducting research for this debate, I was staggered to be told only yesterday by the international child benefit team, which is part of Her Majesty's Revenue and Customs, that the rules allow for top-ups to be claimed to top up lower rates elsewhere. So, when one EU migrant worker is in the UK with a spouse working in their country of origin, such as Poland, and with their children receiving that country's child benefit, we will top it up to the level of UK child benefit. That is madness.

Loopholes exist in the current benefits system to such an extent that EU migrants can always find a way

[Mrs Main]

around the system, if they are resourceful. As has been reported widely in the *Daily Express* and other newspapers, by declaring themselves self-employed Bulgarians and Romanians get around our weak transitional arrangements on restricting access to the labour market simply by selling *The Big Issue* and paying a nominal contribution of £2.50 in national insurance per week, which then opens up a lucrative stream of other benefits. The TaxPayers Alliance has described that system as a scam, and it is right to do so. We are the politicians; what are we going to do about this situation? It is a ridiculous state of affairs that I believe will foster social unrest, discrimination and most importantly resentment.

I know that fairness works both ways. The fact that so many newspaper editorials are addressing this thorny issue shows the depth of public concern, and I pay tribute to those newspapers and urge them to keep up the pressure. With their help, we can hopefully give Britain a strong voice when we stand up to this nonsense.

Let us not forget that we have the poor, the young and the elderly living in increasing poverty in our own country. According to the Poverty Site, some 13.5 million people in the UK—around a fifth of the population—exist on or below the poverty line, and yet we are rationing money to send it to even poorer citizens elsewhere in the EU. Sadly, poverty is always relative, and so our citizens will lose out.

A staggering case of opportunistic lifestyle enhancement was recently reported in *The Economist* under the headline, "Keeping the coffers shut". *The Economist* reported how Galina Patmalniece came to Britain after 40 years working in Latvia's factories and kitchens with only her Latvian state pension to support her, which was as little as £50 a month. She applied in the UK for a means-tested pension top-up of £133 for a single person. She was denied that top-up, but meanwhile she got council housing. To cut a long story short, she appealed to the Court of Appeal, which said that the Government were entitled to withhold benefit. The basic issue at stake was whether the conditions that Britain imposes for giving out pensions were compatible with the rule of EU law, which prevents discrimination on grounds of nationality. Broadly speaking, an EU national must be able to support themselves, so with no family or work and only her Latvian pension to support her, Ms Patmalniece had no right to reside here, although we made no effort to deport her. It is a common theme that Britain does not remove EU migrants who cannot support themselves, even though we are allowed to do so.

On 8 March this year, the Supreme Court found in the case of Ms Patmalniece that the British requirements amounted only to indirect discrimination. A majority of the Supreme Court judges agreed that our approach was reasonable. However, the European Commission might decide that it wishes to challenge that ruling and bring an infringement action against Britain in the European Court of Justice. The Commission has already written to our Government expressing unhappiness about our approach in this case as well as about other restrictions on the access of EU nationals to benefits. I believe that that letter has been described as being of quite a threatening nature. Will the Minister update us on that case? I believe that Britain will be firmly behind him in resisting dishing out benefit payments to EU migrants such as Ms Patmalniece.

I am sure that my constituents and hon. Members here in Westminster Hall today have read with interest articles in the *Daily Mail* and other newspapers covering the Dutch approach to pulling up the drawbridge on workless and benefit migrants amid angry allegations that labour migrants in the Netherlands are abusing the benefits system. In many countries, there is a rising tide of disquiet over EU migrant tourism. I hope that the Minister takes note and joins Holland in saying no to this sloppy and misplaced altruism. If that sentiment catches on across Europe, perhaps a bit of collective common sense will prevail.

Our national autonomy is being eroded by the EU, which must stop. There is an old adage that good fences make for good neighbours. How much more important is it for us to reclaim our boundaries and our borders? Tackling this benefits time bomb must now be a priority for the Government. There is no Government money, only taxpayers' money, so give us back our say over how we spend taxpayers' money, whom we can help and how we can do it. I am sick of having to find wriggle room within regulations that we find incomprehensible and that disadvantage ordinary hard-working families in the UK, who pay their taxes to fund services in this country and not to dish out benefits to some cash-strapped EU member country that has its hand out.

I know that I have given the Minister a lot to think about today and I am happy for him to write to me about any of the issues that I have raised. However, I want to hear that the Government are stiffening their resolve to tackle this problem, which I believe will only get worse and worse.

1.46 pm

The Minister of State, Department for Work and Pensions (Steve Webb): I congratulate the hon. Member for St Albans (Mrs Main) on securing this debate on what she rightly says is an important issue, which I know is of concern to the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling). He has responsibility for employment issues and ordinarily, he would have responded to this debate, but unfortunately he is unable to do so. As I shall explain, he is already taking steps to address some of the issues the hon. Lady raised today. As she knows, as things stand the Department for Work and Pensions' benefit payment systems do not record the nationality of people receiving benefits. The reason for that is that nationality per se is not a condition of entitlement, and the system records conditions of entitlement such as being available for and actively seeking work, in the case of jobseeker's allowance, or meeting contribution conditions for contributory benefits such as the state pension. So a person's nationality is not, of itself, an entitlement condition.

The hon. Lady gave a figure—I think it was £200 million—but the truth is that we do not know what the figure is, which is a matter of concern. I assure her that Ministers are concerned about the lack of data, and we know that other Members share that concern. We consider it right that we should know the extent to which people from other countries are claiming benefits in the UK. I am

therefore sure she will be pleased that the Minister with responsibility for employment announced at oral questions last month that he has commissioned work to find means of making information available about the nationality of benefit claimants. That information would help to inform debate on this subject.

To provide some context, I will discuss immigration more generally. The right hon. Member for Oxford East (Mr Smith), who is himself a former Secretary of State for Work and Pensions, talked about the positive impact that inward migrants can have. We fully recognise that positive impact, and we will continue to encourage the brightest and the best to come to the UK to promote growth and enterprise here. However, we will reduce the degree to which we currently rely on migrant workers through a radical shake-up of the welfare system and by improving the skills of the British work force. Our goal as a Department is to ensure that people are better prepared, have more incentive and face more requirements to take up work in the UK, which will mean that demand for migrant workers can be reduced. Clearly, although immigration has enriched our culture and strengthened our economy, it must be properly managed.

Mrs Main: The Minister is making a valid point. However, when I looked at the statistics on this issue, I was shocked to realise that some of these migrant workers are hugely overqualified for the jobs they come here to do. I am not disputing that we are attracting well qualified people, but they are not qualified to do the jobs they are doing; if anything, they are overqualified for them. We have a problem, in that we have a dearth of people who want to do those low-skilled jobs, so we have qualified people coming in to do them. That is the problem and I do not see how we will solve it.

Steve Webb: No, I do not see how we can solve that, in the sense that, if we have a single labour market we cannot constrain individuals who bring particular skills and prevent them from doing jobs that are, as it were, less demanding than the skills they bring in. That is correct.

The hon. Lady raised the question of benefits claimed by the nationals of other EU member states working in the UK. I shall explain what they are. In preparing for the debate, I had to find out how the system works and was surprised by some of what I learned.

Under the freedom of movement rules, as we have just heard, many UK nationals are living and working in other EU countries and have reciprocal rights. Free movement of persons is fundamental to Community law; indeed, it is an essential element of European citizenship. However, the rights are not unlimited. Those who wish to live in the UK for longer than three months must be exercising a treaty right as a worker, a workseeker, a self-employed person, someone of their own means and self-sufficient, or a student. If EU citizens do not meet one of those requirements, they will not have a right to reside in the UK, and may be liable to removal. The Government are clear that EU citizens who benefit from the right to free movement must adhere to the responsibilities it brings and abide by our laws.

Mrs Main: The problem is that that list covers just about everything. As I have said, anybody who cannot do a particular thing can declare themselves self-employed by doing a menial job such as selling *The Big Issue* or another such publication. That is the problem: the list does not seem to prohibit anybody.

Steve Webb: When I looked at the list I wondered whether someone could say, "Oh, I am looking for a job." That is not sufficient. The definition of a workseeker would be similar to the requirements placed on someone claiming jobseeker's allowance, for example. I take the hon. Lady's point that there may be loopholes that need to be looked at. However, if someone says they have come here to look for a job, it not enough merely to assert it; they have to provide evidence that they are actively doing so. Let me now make a bit of progress, as I am keen to respond to the points the hon. Lady has raised.

The failure of past policies has left many people continuously on out-of-work benefits for more than a decade, 90% of them on incapacity benefits. Many of our fellow citizens want to work but have not been provided with the help and support they need. The crucial point is that one reason why employers take on EU migrants is that many of our fellow citizens have not been effective participants in the labour market. The Secretary of State is determined to change that through the Work programme and universal credit, to try to ensure that when employers are looking at a list of potential employees, the UK citizen—the domestic worker—is a credible alternative to the EU migrant. We believe that the success of those policies will reduce the demand for EU migrants in the situation described by the hon. Lady.

On access to benefits, EU nationals have rights under the European treaties to enter and remain in the UK, including the right to seek and take up work. Where EU nationals are here in exercise of a treaty right, the UK, through its obligations under both European and international law, allows them access to income-related benefits. As the hon. Lady says, EU nationals who are working here have access to in-work benefits, such as housing benefit, council tax benefit and child tax credits. If they are unemployed and looking for employment, they may also claim income-based jobseeker's allowance. There will, however, be some who have no intention of seeking work—benefit tourists, as the hon. Lady says—and they may try to access benefits. We do not believe, on the whole, that that is the main reason why people come here, but we accept it is a danger and it is one of our concerns.

That is why we have rules in place to prevent the abuse of the benefits system and benefit tourism. The principal measure is the habitual residence test, which ensures that income-related benefits are paid to people with reasonably close ties to the UK and who intend to settle here. Its underlying principle is that the taxpayer should not have to subsidise people with very tenuous links to this country.

Mrs Main: Will the Minister give way?

Steve Webb: Will the hon. Lady allow me to make a bit more progress, as she has raised a lot of points and I have got only seven minutes to respond?

To be eligible for an income-related benefit of the sort listed, claimants must satisfy the two-part habitual residence test—I may be coming to the point the hon.

[Steve Webb]

Lady was going to raise. That requires the individual first to demonstrate that they have a right to reside here and, secondly, to show that they are habitually resident. Anyone who does not have a right to reside is not habitually resident, and is not entitled to any income-related benefits.

To clarify, the term "habitual residence" is not defined specifically in UK social security legislation. To determine actual habitual residence, decision makers look at a range of things that we think should rightly be taken into account, such as whether the person is returning to resume past habitual residence; attachment to and intentions in the UK; reasons for coming; employment record; and length and continuity of residence in another country. The information is gathered by interviewing the claimant, and decision makers must be satisfied on objective grounds that a person who claims income-related benefits after arriving in the country has genuinely adopted the UK as his or her place of habitual residence.

Mrs Main: I have had all that information from a series of questions I have tabled. I was shocked to realise that people need to be resident for only a month or possibly even less, which is open to interpretation by the individual doing the interview. That is a very low bar.

Steve Webb: Although the hon. Lady is right to say that a month enables someone to be considered, I have listed the criteria that the decision makers have to apply, and I suspect a lot of those would be hard to satisfy after a month. So, although that is technically true, I suspect that in many cases people have been here for a lot longer.

Child benefit, which has been mentioned, is clearly quite cyclical in terms of foreign nationals coming to the UK. The hon. Lady was right to praise the hon. Member for Witham (Priti Patel), who established through a written question that the number of families getting child benefit for children in Poland was, in October 2009, just under 23,000. However, the answer to that question showed that that figure fell to 17,000 in July 2010. I can provide an update today—the figure fell again to just over 16,000 in June 2011. There has been a 29% fall in the number of Polish people working here and claiming child benefit for children at home. I am sure the hon. Member for St Albans would say that that is 16,000 too many.

However, it is worth stressing that such situations are not static. They change, and in this case there has been a fall of more than a quarter. The reason for the payment is that it is only made in respect of UK national insurance contributions. That is an important part of the mix. We are paying the benefit to somebody who is putting money into the UK Exchequer through national insurance. We have a legal duty to pay at the higher rate. In his intervention, the hon. Member for Kettering (Mr Hollobone) asked whether we should pay at the Polish, rather than the British rate. The courts have determined that we have to pay at the higher rate. The logic is that the entitlement is based on UK national insurance contributions, which will be based on UK wages and taxes. Therefore, the parallel entitlement is to a UK benefit. I understand the emotional reaction that we probably all have when we hear that.

In the few minutes remaining I should move on to the question of EU citizenship and access to benefits—what is called benefit exportability. Since the UK joined the EEC in 1973, it has been part of the system for co-ordinating social security for people who move between member states. The rules protect UK citizens abroad as well as EU citizens who come to the UK. Every EU member state has exclusive responsibility for organising and financing its national social security schemes, and for setting out the conditions governing entitlement, provided that they comply with the principles of equal treatment and non-discrimination on grounds of nationality. However, there are EU regulations on the co-ordination of social security to ensure that, where someone has earned an entitlement, they do not lose it because they have moved between member states. That is to remove one of the barriers to the free movement of workers, which is one of the basic tenets of the EU's internal market.

The rules set out under what circumstances a person retains, or can claim, social security benefits when they move between member states. In particular, the rules protect workers who live in one member state and work in another. On the question of adding things together, people coming into the UK may be entitled to benefits on the basis of their social insurance payments in another member state; and people going from the UK can be entitled to benefits in another member state on the basis of their UK national insurance. That is known as aggregation—where a person's contributions are added together to give them entitlement. The country that pays, however, is still usually the country where the person is working or last worked. Again, that makes the point that the payment that is made is not necessarily something for nothing; it may well be something for something. In the case of a British worker, the contribution may have been made in the UK before they left, or, in the case of a foreign worker, in their home country before they came here. There is a reciprocal arrangement.

I turn to the question of topping up child benefit and child tax credits paid, for example, in Poland. Let us take the example of a family in which dad is in the UK and mum is at home with the children. If dad is paying national insurance and mum is at home, we would pay full UK child benefit to the family, in return for his national insurance. That is what he is paying for. However, if mum was working and therefore earning some Polish benefits, we would top up. Funnily enough, although people say it is strange that we are topping up Polish benefits, when we do so we are paying less money than when we are not topping up but paying the full amount.

These are clearly complex and difficult issues. Once there is a single labour market with free movement, a lot of things follow that are difficult to disentangle. However, I can reassure the hon. Lady that the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell is seized of the importance of the issues and, I hope, will be able to make progress on them in due course.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 13 July 2011

[MR JAMES GRAY *in the Chair*]

High-speed Rail

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

9.30 am

Mr James Gray (in the Chair): Before we start the first debate, may I say that it will not come as a surprise to hon. Members that a large number of people are seeking to catch my eye? While there can be no formal limit on speaking times, as there can be in the Chamber, it will be helpful, and a great courtesy to each other, if Members are able to keep their remarks to three or four minutes apiece. Anyone who speaks for 10 minutes will get dirty looks from other hon. Members.

9.31 am

Susan Elan Jones (Clwyd South) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray.

I am pleased that the building of a high-speed rail line, which was first proposed by the previous Labour Government, is supported by the present Government, as it is important that there is consensus on the issue. The project certainly makes sense. It is ridiculous that, by rail, I can get from London to Paris faster than I can get to Wrexham, and get to Brussels faster than to Liverpool. Should I so wish, I could get to Rotterdam a full hour faster than I could get to Glasgow. France, Germany, Italy and Spain are all enjoying their high-speed rail networks, but in the country that invented railways, we are still just talking about it, and that needs to change.

I secured the debate because although the Government are committed to the project—I welcome the fact that it appears in the coalition agreement and the Government parties' manifestos—I fear that it may be under threat from not just outside but within the ranks of the Government. I am of course talking about the Secretary of State for Wales. I welcome the fact that the official Wales Office business plan states, as one of its aims, that it will:

"Ensure that Welsh interests and needs are reflected in the Government's improvements to transport infrastructure".

However, the Secretary of State for Wales opposes High Speed 2 and, as a Minister, she refuses to justify herself. The Wales Office's annual report, which was published earlier this week, tells us that, over the past year, every one of 41 named day questions to the Wales Office were answered on the day specified, yet the answers to two questions asked by my hon. Friend the Member for Pontypridd (Owen Smith) were over a week late. Strangely enough, they were both to do with the assessment that the Secretary of State has made of benefits that HS2 would bring to Wales. We must assume that that was because she was held up trying to find any research that does not foresee massive economic benefits to Wales from the high-speed line.

Jessica Morden (Newport East) (Lab): I congratulate my hon. Friend on securing this incredibly well-attended debate. Despite the Wales Office's silence on the issue, research by Professor Stuart Cole at the university of Glamorgan points to real benefits to Wales due to speedier connections and greater capacity. Does my hon. Friend find it strange that the Secretary of State has not referred to that research in any way?

Susan Elan Jones: I do find it strange, but not when one considers the Secretary of State's personal opposition to the project. Professor Cole has made it clear that the project would also bring great benefits through inward investment in Wales.

The Secretary of State said of her opposition:

"This project goes right through my backyard".

If that is not nimbyism, I do not know what is. It is not even disguised nimbyism; it is self-interest pure and simple. In a debate on the issue in March, the hon. Member for Weaver Vale (Graham Evans) recounted tales of people stating:

"I am not a nimby, I just don't want a railway line built near my house."—[*Official Report,* 31 March 2011; Vol. 526, c. 177WH.]

Rehman Chishti (Gillingham and Rainham) (Con): I am grateful to the hon. Lady for securing the debate. On that point about residents' concerns, does she accept that lessons have to be learned? My constituency recently had High Speed 1, but then standard services were reduced and High Speed 1 fares went up by 30%. If we want more people to use high-speed rail, it has to be affordable, and we cannot have it at the expense of standard services.

Susan Elan Jones: I totally agree. We have to look at all those issues sensibly. However, equally, as a representative of a Welsh constituency—I know that Members from other parts of the United Kingdom feel this too—I am not prepared to see HS2 delayed on the grounds of pure and simple nimbyism. That is quite different from the point raised by the hon. Gentleman.

Mr Mark Field (Cities of London and Westminster) (Con): Does not the hon. Lady have any sympathy for the plight of those Members of Parliament who represent seats on the route? I represent an area where Crossrail is infuriating, angering and frustrating many of my constituents. It has done that for many years and will do so for decades to come. As it happens, I am a keen supporter of Crossrail and am willing to make the case. Perhaps the hon. Lady should be setting out the argument that MPs who are on the line should be making a robust case, particularly about capacity, which I think is one of the big issues. As my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) was pointing out, if general capacity is reduced, that undermines many of the perceived benefits of such a new scheme.

Susan Elan Jones: I have considerable sympathy for that view, but the difference is that the hon. Member for Cities of London and Westminster (Mr Field) does not aspire to be Secretary of State for Wales—

Chris Ruane (Vale of Clwyd) (Lab): Not yet.

Susan Elan Jones: Indeed.

[Susan Elan Jones]

There is a conflict here. I understand that people are likely, as they are entitled, to complain about local developments to which they are opposed, but we need our Government to take a broader national view, and Wales certainly needs a Secretary of State who will do better. That is why I am here to make the case for high-speed rail, and specifically the Welsh case, because I fear that it is not being made by the person whose job it is to do so.

The official ministerial answers on the benefits of HS2 for Wales may be missing, but there is plenty of evidence from elsewhere in Europe with which hon. Members can form their own opinion, such as the case of Lille. In the early 1990s, the French Government chose to divert their high-speed TGV line through Lille, as opposed to using a more direct route through Amiens, because of high unemployment and post-industrial decline in that area.

Nick Smith (Blaenau Gwent) (Lab): My hon. Friend says that high-speed rail and rail electrification are particularly important for economic development. Does she agree that it is important that we get that for the lines in the valleys and in other parts of Wales, and particularly for the Cardiff-Ebbw Vale line?

Susan Elan Jones: I am in total agreement with my hon. Friend's point, both for south Wales and for north Wales.

In the case of Lille, the French Government decided that following the slightly less direct route was worth the extra €500 million that it cost because of the massive potential for regeneration and employment that the project would bring to Lille. Professor Stuart Cole of the Wales transport research centre at the university of Glamorgan, whom my hon. Friend the Member for Newport East (Jessica Morden) mentioned earlier, submitted evidence to the inquiry of the Welsh Affairs Committee on inward investment to tell us what happened next. Twenty years later, Lille is ranked as the fourth most accessible European city and has been described as a boom town. As the French Government showed that they were serious about investing in the area, private sector investment followed. A major commercial centre, a retail centre, hotels and offices all sprung up around the terminal. An elite university opened a campus in the town and tourism flourished. The expansion is continuing. A major conference centre is scheduled to be built, along with significant new office accommodation and housing. Public investment in connectivity, accessibility and profile led to private investment, jobs and growth.

Mr Mark Williams (Ceredigion) (LD): We have heard from the south and north of Wales, but in regard to economic development, the hon. Lady must not overlook mid-Wales. In the absence of a direct line from Aberystwyth to London, we would welcome reduced journey times from London to Birmingham, which is part of our journey.

Susan Elan Jones: It is no secret that the slow pace of rail journeys to parts of mid-Wales is scarcely believable. I agree totally that the London-Birmingham high-speed link would make a tremendous difference to that, or at least part of a difference. This is our opportunity. I want to see benefits of the kind that the TGV delivered in northern France brought to Wales, as well as to the midlands, northern England and Scotland, through HS2.

Although the planned route for HS2 does not go directly into Wales, that does not matter. Getting the journey time from London to key hubs such as Manchester or Liverpool down to an hour and 10 minutes would be a massive improvement for us. Some tube journeys take longer than that, as I am sure many hon. Members realise. Suddenly, getting business representatives from London to north Wales and back in a day would look easy.

Guto Bebb (Aberconwy) (Con): On that point, I travel down by train from Chester or Runcorn simply because the North Wales Coast Railway line is so poor. How does the hon. Lady think that the economic case for north Wales will be improved by making the journey time to Manchester 1 hour 10 minutes rather than 1 hour 50 minutes, when north Wales will still be three-and-a-half hours away?

Susan Elan Jones: There is work to be done in north Wales. We are talking about a link that would speed up the entire journey down here. The examples that I gave earlier show how it is much quicker to travel to parts of Europe than to parts of north Wales, which bears testimony to my argument.

Albert Owen (Ynys Môn) (Lab): At present, many people travel by car to Manchester and hubs. As the hon. Member for Ceredigion (Mr Williams) said, if we get the high-speed rail network, there will be connectivity between Birmingham and various other cities, and north Wales. People from north Wales will travel by train, which will save the environment and save time.

Susan Elan Jones: I agree totally with my hon. Friend. When the north Wales main line is electrified, a small number of trains—one or two a day, for example—could be diverted off the main track at Crewe or another convenient point to travel along that track. A passenger would therefore be able to travel from continental Europe to Rhyl, Bangor or, indeed, my hon. Friend's constituency. Of course, I would also argue for the inclusion of Wrexham directly. Wales, and north Wales in particular, is on the periphery of Europe, but a high-quality transport plan could bring us into real contention for business.

Owen Smith (Pontypridd) (Lab): My hon. Friend is ahead of me because she is talking about the benefits that HS2 will bring to north Wales passengers via Crewe. Does she agree that the Secretary of State for Wales does not need to look as far as Lille for evidence of that? She could merely talk to the Secretary of State for Transport—her colleague in the Cabinet room. In an answer to the hon. Member for South Northamptonshire (Andrea Leadsom), he said that HS2 will bring significant benefits to north Wales rail passengers, with all the obvious economic benefits that my hon. Friend is talking about.

Susan Elan Jones: I agree totally with my hon. Friend. Technically, there is nothing to stop such a plan in the long term. High-speed trains in France make some

journeys across regular track, such as to Cannes. If the routes of Brussels to Bangor, Rotterdam to Rhyl, or Frankfurt to Flint sound a bit far-fetched, that is evidence of how inaccessible some of our towns are perceived to be.

Mr Mark Field: A number of people are worried that the route will lead to an overheated south-east England, which many would regard as undesirable. If travel times from London to Manchester or to Liverpool are 45 or 60 minutes shorter, does not that simply make London even more attractive for people from the north-west, or indeed from north Wales, rather than necessarily bringing great benefits to Wales?

Susan Elan Jones: I agree with the hon. Gentleman and I thank him for his thoughtful contributions.

Esther McVey (Wirral West) (Con): Does the hon. Lady agree that high-speed connectivity is vital? At a time when we are talking about rebalancing the economy, particularly for the Merseyside area, this is not just about speed. We want to develop our port and make it the port of the north. We need freight and people connectivity, so high-speed rail is vital.

Susan Elan Jones: I totally agree with the hon. Lady. If hon. Members will excuse me, I must try to make a little progress because otherwise they will not be able to make their speeches in the time available.

It is not just Wales that stands to benefit. Ninety business leaders in Yorkshire recently wrote to the Secretary of State for Transport to tell him that the project is vital. The Sheffield city region local enterprise partnership said that 91% of 200 firms surveyed agreed that the benefits of HS2 to the city would be huge. The Northern Way alliance of regional development agencies from the north of England said that it valued the wider economic benefits of north-south high-speed rail at £10 billion, and described the high-speed link as

"an opportunity to create a new economic geography".

The Scottish Minister for Housing and Transport said:

"the case for high-speed rail...is compelling, robust and clear".

Manchester council says that high-speed rail will enable local business to compete and will boost tourism, and Stoke-on-Trent council says that it will open up national and international markets. Liverpool supports it and Birmingham supports it. The message from across the UK is loud and clear. We cannot let a small group of people railroad this debate. People welcome major investment in infrastructure to bring about new jobs and new business.

Stephen Timms (East Ham) (Lab): I agree with my hon. Friend about the new economic geography. On Rotterdam to Rhyl, does she agree that if the London stop were Stratford and the trains bypassed St Pancras, the length of the journey from Rotterdam to Rhyl and the other journeys she had mentioned could be significantly reduced, which would have widespread advantages?

Susan Elan Jones: I am certainly open to that idea, which I had not previously thought about. In terms of UK-wide economic benefits, HS1 offers some concrete feedback. Despite some criticism, independent reports have put the value of investment attracted by the line at £20 billion, which is 40 times more than original estimates. The operation has not been sold at a loss, whatever the HS2 Tamworth Action Group says. The lease has been sold, and will be re-sold again and again on expiry. Two more sales will bring the scheme into profit, even without taking the massive wider economic benefit into account.

Mrs Siân C. James (Swansea East) (Lab): The economic benefit is well known in rail terms: it is known as the spark effect. As my hon. Friend knows, we in Swansea are fighting hard for electrification of the whole rail system to Swansea. We want that economic development. The spark effect is happening across Europe and we would like it in Britain, please.

Susan Elan Jones: My hon. Friend speaks with considerable expertise in this area and I am grateful for her intervention.

Indirectly, HS1 enabled the delivery of three major development schemes, in Ebbsfleet, Stratford and King's Cross, which are all areas in need of regeneration. Some 15,000 homes and 70,000 jobs were created. The project delivered £3.8 billion of transport benefits, which, combined with the operating surplus, offsets the whole project cost.

Independent reports found, in conclusion, the following:

"it is clear that overall the scheme represents high value for money".

Karen Lumley (Redditch) (Con): Does the hon. Lady agree that the project will provide wider access to Birmingham airport, with a journey time of just 49 minutes? That will ease congestion in the London area and make Birmingham and the west midlands more attractive.

Susan Elan Jones: I certainly agree with the hon. Lady. The project will also make her journeys to Wrexham quicker, which I believe is her old home.

Chris Ruane: The interventions we have had across the piece seem to show that there is a national consensus for this 21st-century rail project to go ahead. Why does my hon. Friend think there is a delay? Is the reason political?

Susan Elan Jones: I would hope not. On HS2, the 2008 Atkins report concluded that a high-speed rail network would deliver more than £60 billion-worth of benefit to the UK economy in its first 60 years. In 2009, the British Chambers of Commerce calculated revenues and benefits to the economy worth £55 billion. The Government's consultation paper puts the benefits at around £71 billion in revenue and benefits.

David Mowat (Warrington South) (Con): On the subject of benefits and the point about delay, it might be worth putting on the record that the business case for High Speed 2 puts the net benefit ratio of the project at 2.6, which is higher than Crossrail, Thameslink or HS1.

Susan Elan Jones: I agree with the hon. Gentleman, but not with the Taxpayers Alliance, which suggests that the business case is unproven. I confess that that is not the only thing I disagree with the Taxpayers Alliance on.

[Susan Elan Jones]

Wendover Action Against Chilterns HS2 Routes claims that passenger demand forecasts have been overestimated. It ignores the fact that, after 10 years of 5% annual rises in passenger numbers, HS2 envisages just 1.4% annual growth. Again, it does not offer its own projected profit figures. The RAC has offered the following gem of a critique:

"the analysis so far has been largely uni-modal and future analysis will need to be multi modal so as to assess HSR against rival and complimentary investments, particularly in the air and road sectors, whilst further work may also be required to analyse the inter-relationships with the classic rail sector and to test the robustness of modelling results".

Perhaps we can pass that on to the Plain English Campaign, so that it can translate it for the rest of us. Ultimately, it is clear that the experts all agree on one thing: there will be economic benefits and, even if we cannot agree on every penny, we know they will be hefty. Whether someone lives in the Chilterns or not, they cannot escape the economics. If it is done properly, high-speed rail works. Once we accept that, it only remains for us to consider whether those benefits are outweighed by any overriding negatives. As we have heard, the Secretary of State for Wales believes that one such negative is the fact that the line will pass through her backyard. Putting the right hon. Lady's begonias aside, what are the real facts on environmental impact?

I totally agree that areas of outstanding natural beauty must be protected. Indeed, a new such area is on its way in my constituency. I believe that they must be protected and preserved wherever possible; I do not accept, however, that HS2 will cause unacceptable blight in the Chilterns. In fact, all but 1.2 miles of the route through the Chilterns area of outstanding natural beauty will be in tunnels, and one cannot get much less obtrusive than that. We will not be able to see it—it will be under the ground. Other parts of the route will be hidden in deep cuttings, or run alongside motorways. A lot of work has gone into ensuring that the line will cause minimum disruption. In fact, route changes mean that only 340 properties will be affected by noise, of which 210 are in central London, itself hardly a haven of peace. Just 10 properties will be affected by high noise levels. That does not add up to irreparable damage to the countryside. The fact that it will be possible to see and hear this rail line in the distance does not outweigh the very real economic and social benefits it will bring.

I have one point to add, regarding the residents in Holborn and St Pancras whose homes may be demolished. That may be classed as irreparable damage and I would not want to see that outcome; I hope very much that a solution can be found to avoid that demolition. I would back any amendment to the plan that could avoid the destruction of homes.

Mr Mark Field: So, doing that in Labour-held seats is acceptable, but not in Conservative-held seats?

Chris Ruane: They are not knocking them down in Tory seats.

Susan Elan Jones: It is a shame. The hon. Gentleman should have known that I would have said exactly the same had it been in his seat. I am reluctant to take back my earlier compliments for his interventions.

Having overcome the environmental argument, what about the costs of building during the recession? Let us look at the figures. HS2 will cost £2 billion a year during the building phase, which I believe is roughly the same as Crossrail. Construction will start at roughly the same time as Crossrail finishes, meaning that the overall transport budget will stay quite steady, but HS2 will spread jobs and benefits much more widely than Crossrail. Initial estimates predict the creation of 40,000 jobs. Some of those jobs will be in London and the south-east, but many will be spread along the line. Several thousand will be non-permanent construction jobs, but many will be permanent. At a time when the construction industry is struggling, I, for one, would welcome that.

Even if the budget has to stretch to pay for the build, which I do not believe it will, the figures all show that we can expect a return of £2 for every £1 invested in the project. If we think long term, and we should, that is an attractive proposition. If aliens from Mars turned up and heard about a project set to create 40,000 jobs, to link north and south, and to boost our national profile, they might well guess that the Government had decided to subsidise such a project for the public good. I am sure they would be shocked to hear that it was being opposed, despite being set to earn double the original investment. The cost is not a barrier to HS2; the investment is sound. Only the most blinkered, short-term thinking can conclude anything else—the costs add up.

What about the suitability of the UK for a high-speed line? Detractors say that the UK is too small to benefit from high speed, that our country is densely populated and already well-served by lots of railways. However, the distances between our major cities are very similar to those with successful high-speed rail abroad. Frankfurt and Cologne are 110 miles apart, which is the same distance as London to Birmingham. Tokyo and Osaka are 325 miles apart—roughly the same distance as London to Edinburgh.

While it is true that we already have railways, our lines are full. On capacity, fares are going up and up as demand increases, a point raised earlier by the hon. Member for Gillingham and Rainham (Rehman Chishti). The cost of some season tickets in the south-east rose by almost 13% this year. Anyone who says that HS2 fares will be too high should consider the situation with our existing network. Sir Roy McNulty's review of fares, published in May, suggested that off-peak fares should rise by 30% "to manage capacity", as thousands of people pack on to trains with cheaper fares. We are actually having to price people off our trains to prevent them from bursting. That cannot be the right approach. We want to encourage public transport use, as my hon. Friend the Member for Ynys Môn (Albert Owen) said earlier, not suppress it.

We need more trains, and our existing network cannot provide them. For example, management at the west coast main line, which has recently had a major £10 billion upgrade that caused huge disruption to passengers, has announced that it will be at full capacity again within six to 10 years, even if extra carriages are added. It is not possible just to run more trains: there simply is not enough space. Even though there is the demand for more fast, direct trains up the west coast, the local commuter services and freight trains that use the lines do not leave extra space for the extra trains. We need more capacity. Network Rail has acknowledged that, and it spells it out very simply:

"HS2 solves the capacity problem".

HS2 not only allows the existing network to operate at full capacity during its construction; it is the only option that will release real, significant extra capacity when in operation. Current services would continue to run on the existing lines, but the high-speed routes would no longer be hemmed in by them. Instead, they would have a free run on the new lines. Towns without HS2 stations will benefit as space for more trains is freed up on existing lines, with less crowding and more services. It is a win-win situation.

Mr Brian Binley (Northampton South) (Con): Does the hon. Lady agree that for towns such as Northampton, which are not directly on the route but feed into it at Milton Keynes, the issue of capacity is vital, specifically when we recognise that population will increase by 120,000 by 2026? If HS2 does not happen, we will have serious problems, and I thank her for making that point.

Susan Elan Jones: I thank the hon. Gentleman for his thoughtful contribution—many thanks.

Finally, let me deal with the so-called Rail Plan 2, which could apparently solve our capacity problems for a fraction of the price of HS2. That plan contains such major flaws that even its supporters are having to modify it as they go along. I have already heard of Rail Plan 2a, for example, which is supposed to be more "sympathetic". RP2 basically involves doing almost nothing, maintaining and improving our existing tracks in a hotch-potch manner, and improving capacity a little bit here and a little bit there. Of course it is cheaper—it has not achieved anything that we would not have done as a matter of routine upkeep. Of course, it is quicker as well. It will have to be quick, because rebuilding a line that is still in use as the main line route will cause massive disruption. I wonder whether the cost of that massive disruption has been taken into account in these very low cost estimates for RP2, let alone that the horrible experience of using a line which is half dug up may put a lot of people off rail travel for life.

If we want a top-class railway system, it is not enough just to fiddle around little by little. High-speed rail is the way forward. It has worked in other countries and is backed by all the key figures around the UK. Of course, we can and should improve our existing network as well. I have already said that I hope that the north Wales main line, referred to by the hon. Member for Aberconwy (Guto Bebb), will be electrified soon. However, such a piecemeal investment project will have no wider economic benefits and create no draw for inward investors, and it will create such chaos on the railways while being built that it could make the whole idea of inter-city travel less attractive altogether. If we never begin a long-term project, we will never finish it, either.

Mark Tami (Alyn and Deeside) (Lab) *rose—*

Chris Ruane: On the issue of crowding on the north Wales line, unlike my hon. Friend the Member for Alyn and Deeside (Mark Tami), I am a weekly user of the line. It is already at capacity. Everybody has to stand up on the Arriva trains between 4 pm and 5 pm. We need that investment and we need it soon.

Susan Elan Jones: I agree. My hon. Friend the Member for Alyn and Deeside wished to intervene.

Mark Tami: As my hon. Friend the Member for Vale of Clwyd (Chris Ruane) mentioned, I am not a regular user of the train. There are connection problems. I used the train last week, only to find that I waited for a connection for nearly 40 minutes. That is an issue. It is all very well having high-speed rail, but if the connection time is so out, we will not get the benefit.

Susan Elan Jones: I agree with my hon. Friend on that point.

As I was saying, if we never begin a long-term project, we will never finish it, either. Even if HS2 takes many decades to build, the benefits it will bring will make it worth it many times over in the long-run. RP2 may work for a while but, ultimately, it will leave us continually plugging leaks, while the rest of the world races away with new technologies and coherently planned schemes.

In conclusion, we need more capacity, faster journey times, jobs, investment and better access. HS2 can give us all that, and it is heartening to see so much support among hon. Members this morning. I call on the Government to face down the saboteurs and stick to their promises. Only a small number of people oppose the scheme—regrettably, they include the Secretary of State for Wales and the Chilterns—but everyone else backs it, and so do I.

Several hon. Members *rose—*

Mr James Gray (in the Chair): Order. Before I call the next speaker, I point out that I intend to call the Front Benchers no earlier than 20 minutes to 11, although I might seek a little bit of a squeeze on that at a later stage, because 14 people have written to Mr Speaker asking to catch my eye. In my estimation, that gives two and a half minutes a piece, and anyone who speaks for longer will be squeezing out someone else.

10 am

Mr Brian Binley (Northampton South) (Con): I will try to be quick, Mr Gray, and I am most grateful to serve under your direction.

I congratulate the hon. Member for Clwyd South (Susan Elan Jones) on a comprehensive and wide-ranging explanation of the need for High Speed 2, which, to my mind, is absolutely clear. The hon. Lady made the point that high-speed rail is increasingly a feature of advanced economies. It is vital for business purposes, because it is about not only individuals going up and down an important line, but the well-being of economies in many areas of the country and Britain's future. As the hon. Lady has said, the experience of high-speed rail has been immensely positive for so many areas in France and for Lille and Lyons in particular. Many nations and towns are desperately trying to promote the concept of high-speed rail in Europe and, frankly, throughout Asia.

Our economy needs high-speed rail. The issue is to do with business, because the existing network will not be able to cope with the anticipated growth and the pressure it inevitably faces now and in the coming decades. There is a blockage at Birmingham coming down from the

[Mr Brian Binley]

north-west; freight is having great difficulty getting through to the south-east; and passengers are finding journeys immensely difficult. The construction of HS2 will increase the corridor capacity of the west coast main line threefold, which is massive, in return for a sizeable investment.

The southern part of the west coast main line is set to be running at full capacity within 15 years—that bit unblocks the whole problem in Birmingham and impacts on my town, Northampton. We are on the growth agenda of both the previous Government and this one. We are expected to build 59,000 homes by 2026, which is an additional 120,000 people, creating a town of 350,000. Already, 5,000 people a day commute to London, and we will have at least another 12,000 who want to do so; we will fail without high-speed rail and releasing capacity on the west coast main line. We need to create 85,000 new jobs, and we will fail without high-speed rail. Consequently, I support the plea of the hon. Member for Clwyd South and add the voice of the people of Northampton: without high-speed rail, we will have the population growth but we will not have the jobs growth; it is that simple.

10.3 am

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I congratulate my hon. Friend the Member for Clwyd South (Susan Elan Jones) on securing the debate and on the case that she has made for High Speed 2. There is no need to repeat the benefits for the business environment and the economy or the point about capacity constraints, because those points have been well made.

I want to touch on a couple of issues relating to Scotland and to my constituency and neighbouring constituencies. The Minister is aware of the group High Speed 2 Scotland, which has published papers looking at the benefits of high-speed rail for Scotland. I want to reiterate some of its key points on the environmental benefits in particular. Currently, some 7 million journeys to London from Glasgow and/or Edinburgh are undertaken every year, but 6 million of those are by air. I freely admit that I do the same more often than I would like to, which is the case for many people I have spoken to who must travel to London for business purposes. They would rather not do the journey by air but, unfortunately, the time taken by rail at the moment is too long. There is an issue to do with the opportunities for business in Scotland as well.

In the past, the Minister's predecessors had discussions with Scottish Ministers about HS2 in Scotland. She will be under pressure to respond to many points, but I hope that she will touch on whether such discussions have continued and when she last met Scottish Ministers. I also hope that she will touch on the feasibility of, if we eventually reach consideration of an extension beyond the initial phase of HS2, and potential for building from north to south, rather than from south to north, because that might be useful.

Jim Shannon (Strangford) (DUP): The hon. Gentleman is discussing Scotland. Other hon. Members have spoken eloquently about other parts of the country, and as a Northern Ireland MP my request concerns the HS2 opportunities for Stranraer, where the Northern Ireland traffic goes. Something should be done there, because all parts of the United Kingdom should benefit from HS2.

Tom Greatrex: I agree that all parts of the United Kingdom should benefit from HS2, which is why it is important that we look beyond the initial stage and start some of the planning discussion now, and why I want an assurance on looking at the feasibility of building from north to south.

Chris Ruane: The hon. Member for Strangford (Jim Shannon) has mentioned Northern Ireland, but it is important to connect the whole island of Ireland. Holyhead to Dublin is part of a trans-European network route connecting Ireland to the centre of Europe. We ought to be good Europeans and support that route, ensuring that the link is put all the way through to Holyhead.

Tom Greatrex: I am sure we all support the benefits of greater connectivity. Every Member who has made a contribution, and those who will subsequently do so, would attest to that. I hope therefore that the Minister will respond favourably to my points, which I made in particular about Scotland.

10.7 am

Iain Stewart (Milton Keynes South) (Con): It is always a pleasure to serve under your chairmanship, Mr Gray. I add my congratulations to the hon. Member for Clwyd South (Susan Elan Jones) on securing the debate.

I am a member of the Select Committee on Transport, and we are midway through our inquiry into high-speed rail, which is one of the most fascinating subjects that I have had to consider in my time as a Member. In the interests of time, I will not rehearse all the arguments for and against. I want to do two things in my contribution. First I make a plea to all sides in the debate to keep their remarks objective and evidence-based, and not to indulge in unhelpful and insulting point scoring; I say that to everyone. To those who support high-speed rail, it is incredibly unhelpful and insulting to polarise the debate as jobs in the north against lawns in the south, which is insulting to lots of people who have real and passionate objections to the concept of high-speed rail.

Albert Owen: The hon. Gentleman is making an important point. The problem is that little evidence is available in this country. In particular, my hon. Friend the Member for Clwyd South (Susan Elan Jones) has asked the Wales Office for a detailed analysis and to collate the data, so that we can have an evidence-based argument and put forward stronger cases.

Iain Stewart: That is one of the things that the Transport Committee is digging into, to ensure that we make a decision based on fact.

To those who oppose high-speed rail, I have seen evidence of threatening letters to some proponents of high-speed rail and some exaggerated claims. My plea to everyone is to stop it. This is the most significant strategic, long-term transport decision we will take for a generation, and it has got to be right. The project will outlive several Governments, of goodness knows what colour and composition, so the decision has got to be right and we must have agreement on it.

Secondly, I would like some reassurance from the Minister about the scope of the Department for Transport inquiry and that that inquiry is not a simple choice between the current High Speed 2 proposals and doing nothing, but that a range of other options can be considered. The Transport Committee has just returned from a visit to France and Germany to look at their high-speed networks. One conclusion that I came to is that what matters is not just building a line, but how it is connected into the existing rail network, the connectivity to the termini on the line, and how it fits in with the wider transport strategy involving freight and aviation. That is what makes high-speed rail a success or failure. We must look at it in the round.

The hon. Member for Clwyd South has mentioned Lille. Yes, it has been successful, but we found that that has often been at the expense of neighbouring towns. The French have recognised belatedly that better connectivity is needed to Lille, and that that is what drives the benefits.

Time precludes me from going into many of the other issues that I wanted to raise, but one is the operating speed of the route. High Speed 2 has been designed for an operating speed of 250 mph, but all the evidence from Europe, China and elsewhere is that although the trains can technically run at that speed, for all sorts of practical reasons they are limited to about 200 mph. That opens up the possibility of other route options. We can build High Speed 2, but not necessarily along the proposed route. The latest generation of Shinkansen bullet trains, which tilt, opens up the possibility of building lines alongside an existing transport corridor, such as the M1 or M40, which would mitigate much of the concern about environmental intrusion. That is what the Germans have done.

Mr Denis MacShane (Rotherham) (Lab): Is the hon. Gentleman aware that the M1 stops just north of Leeds?

Iain Stewart: It does indeed, and the current proposal is to go only as far as Leeds. There may be a further development alongside the A1 in future, but I will not argue for that.

The hon. Member for Clwyd South has mentioned the Frankfurt to Cologne line, which was built largely alongside the autobahn, and there has been no concern in Germany about the noise and visual intrusion of that line, which has been welcomed. My request to the Minister is that we examine all the options, because it is vital to get the details right. If we do, we will have a transport system that we can be proud of; if we get it wrong, we may have an expensive white elephant.

10.12 am

John McDonnell (Hayes and Harlington) (Lab): I want to make a brief point with a constituency interest. I have supported the principle of high-speed rail for several years as part of the campaign to avoid the need for a third runway at Heathrow, so I was extremely pleased when the Government ruled out that runway and came out in favour of high-speed rail. However, the way in which the consultation is taking place is undermining support for high-speed rail in my constituency, because it is focusing on high-speed rail throughout the London borough of Hillingdon without commencing the consultation about links with Heathrow, which will take place after the consultation on the main High Speed 2 link. We have been told that we will have information on that at the end of the year, or perhaps in 2012 or later.

The Minister knows that I have raised the matter before, and my view is that if there is to be consultation on the various routes, it should be comprehensive and include the whole route. I agree with the hon. Member for Milton Keynes South (Iain Stewart), who has said that there are other options that need to be thoroughly investigated, but to consult on High Speed 2 without consulting on the Heathrow link at the same time undermines the consultation process.

My constituents have successfully fought off the blight of the third runway, despite BAA buying up half of Sipson village and not selling off the houses, but they are now affected by the blight from high-speed rail, because we do not know the exact route into the airport. If we could at least have had the full consultation at the same time, my constituents would have more certainty about their future and would be able to reach a view. Staggering the consultation is breeding suspicion—unnecessarily, I hope—that their homes will again be affected.

The Government have gone about the matter in completely the wrong way, and I urge the Minister to ensure that information on the Heathrow link is published no later than the autumn, and that the consultation starts no later than the autumn. We would then have an accurate view of what Hillingdon residents think about the concept of high-speed rail.

10.15 am

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Clwyd South (Susan Elan Jones) on securing this debate. I am an enthusiastic supporter of railways in general and of high-speed rail in particular. As my hon. Friend the Member for Milton Keynes South (Iain Stewart) has said, time does not permit development of too many of the economic and environmental arguments, but they are generally proven.

My constituency has much to thank the railways for. When the Manchester, Sheffield and Lincolnshire railway eventually arrived at the coast, it effectively created the resort of Cleethorpes, and the neighbouring port of Immingham. The MSL railway was known as mucky, slow and late, but I am not sure whether that description was affectionate. The key route from Cleethorpes to Manchester is still the main rail route into the resort, but I have a few caveats on which the Minister could perhaps provide some reassurance.

Mr MacShane: I am often on that train, although I do not go as far as Cleethorpes, but I know the line well. Is the hon. Gentleman aware that in a fine campaign by the *Yorkshire Post*, which should be sent to all hon. Members, the whole of Yorkshire articulated that it wants high-speed rail to happen? I hate to play the north against the south, but there is a real feeling that this is a golden opportunity for the north of England, particularly Yorkshire. I hope that opposition to the scheme, even if the scheme has to be modified—the hon. Member for Milton Keynes South (Iain Stewart) has made some perfectly good points—does not derail this important initiative.

Martin Vickers: I accept the right hon. Gentleman's point. Anything that can advance economic regeneration of the Yorkshire and Humber region is obviously welcome, and anything that we can do to get visitors from his area to Cleethorpes, is also welcome.

Cleethorpes and the area more generally is desperate for a direct route to London, and one worry is that HS2 will suck up all investment resources. The minor infrastructure changes that would improve capacity on the east coast main line, and therefore provide capacity for a direct service to the Cleethorpes area, may be lost. Perhaps the Minister will reassure me on that.

The other brief point that I want to make in my allotted two and a half minutes concerns the supply chain. I am encouraged by what the Secretary of State said after the Bombardier announcement about how we must ensure that the supply chain involves British manufacturers, if possible. Many of my constituents who work at the steel works in the neighbouring constituency of Scunthorpe are under threat of redundancy. Tata Steel in Scunthorpe has benefited greatly in recent years from the worldwide renaissance of railways, and I would like some reassurance. Perhaps the Minister can build on what the Secretary of State said about ensuring that the benefits of production are retained in this country.

10.18 am

Albert Owen (Ynys Môn) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Clwyd South (Susan Elan Jones) on initiating this debate, and on her contribution, which set the right tone. I agree with the hon. Member for Milton Keynes South (Iain Stewart), who said that we need an evidence-based debate. We also need a debate that is led by hon. Members from throughout the United Kingdom, and this debate has provided that opportunity. It is hugely important to include peripheral areas such as the Isle of Anglesey, which I represent.

I will heed your advice, Mr Gray, and limit my contribution. I will not go into the full details of the history of the Irish mail from Euston to Kingstown via Holyhead, which started, as you will know, in 1848, when it took some 10 hours to get the mail from the centre of London to the centre of Holyhead, and then on fast ferries to the Republic of Ireland, which took two days.

Over the past 10 years, we have seen a huge reduction in the journey time between my constituency and London. When I was first elected some 10 years ago, it took more than five hours to get from Holyhead to Euston. It now takes three hours and 40 minutes, which is the result of investment in the west coast main line. We have more frequent—indeed hourly—trains to Chester, and although that is the wrong side of Offa's Dyke, it provides a connection to north Wales, linking it with the major cities of Manchester and Birmingham via Crewe, and getting people and trade—which is vital—from the south-east to periphery areas. That is a sort of evidence base. I do not have the data, but when I make that journey of three hours and 40 minutes, I often speak with business people—many of them travel in first class and I travel in standard class, but we have the opportunity to speak. Organisations such as the CBI and others mention the benefits that investment in the west coast main line has brought to periphery areas such as north-west Wales. It is important to use that evidence and collate more data for the future to make a stronger case for high-speed rail, which I greatly support in principle.

I want to raise two issues with the Minister. I had the opportunity to speak to her about these matters a couple of weeks ago, but I would like her to respond on the record. In her opening remarks, my hon. Friend the Member for Clwyd South pointed to the position of the Secretary of State for Wales. I do not want to personalise the issue, but we need a strong voice at the Cabinet table to represent Wales and to set out the benefits that a high-speed network throughout the United Kingdom would bring to Wales. I hope that the Minister will ask her colleagues in government whether an analysis has been made of those benefits by the Wales Office, because that is its role. We are talking about strategic rail travel in the United Kingdom, and it is important that the people of Wales have a voice at the Cabinet table.

Steve Baker (Wycombe) (Con): Perhaps I have not followed the hon. Gentleman's argument, but it is not clear why the proposed Y-shape route will benefit Wales. Will he recap his point?

Albert Owen: I am sorry that the hon. Gentleman was not listening; I was providing evidence that investment in the west coast main line has benefited the peripheries. Joining up periphery areas with main lines and having faster trains will get people and trade to those areas. I thought that the Government were in favour of that; I have supported them in that and in the idea of spreading wealth and prosperity throughout the United Kingdom. The idea is not new—it happened in Victorian times, which is why I gave the example of the Irish mail. The Victorians recognised the importance of Dublin. This Government have bailed out the Irish Government because they understand the importance of trade links with Ireland. It is important to have full integration between all parts of the United Kingdom and our near neighbours.

Andrea Leadsom (South Northamptonshire) (Con): Does the hon. Gentleman agree, as he seems to suggest, that there is not enough evidence to prove the benefits of regeneration outside the areas at the two ends of the proposed initial line, and that far more work needs to be done to provide evidence of those benefits? If the issue is about curing the north-south divide, the case is simply not proven.

Albert Owen: The hon. Lady is coming at the matter from the wrong angle. I am saying that the huge investment over the past 10 years has brought benefits to periphery areas but that the data have not been put into one package to make the case.

Andrea Leadsom *rose—*

Albert Owen: I am not going to give way again, because of the time restraint. We need to look thoroughly at the benefits to the whole United Kingdom, but there is no doubt that connecting periphery areas with main line stations works. We have seen that in Europe and in other areas.

Andrea Leadsom *rose—*

Albert Owen: I am not going to give way again. I appreciate that the hon. Lady has her opinion, but I am trying to make my views heard. I hope that she and the hon. Member for Wycombe (Steve Baker) have understood my argument. I will move on, but I believe that the Minister should press the Secretary of State for Wales and the Wales Office to make a proper analysis of the benefits of high-speed rail for Wales.

My second point is more negative, because we should also look at the disadvantages of the scheme. Will the Minister look at the issue in the context of Euston station, where the redevelopment for the high-speed rail link would take place? I know that the Transport Committee heard evidence about that yesterday, but the case for high-speed rail would be slightly undermined if there were to be a long period of redevelopment at Euston. As was said yesterday, it would take up to eight years to redevelop that station, and services to the north-west and north Wales would be cut during that period. I know that the Minister will look at all the options, but perhaps she could look at undergrounding or some other way to alleviate the problem with main line stations such as Euston in the future. I know that the Minister is keen for the project to proceed; she has listened and is in tune with what hon. Members are saying throughout the United Kingdom. I ask her, however, to look at the issue of Euston and put pressure on her colleague, the Secretary of State for Wales, to make the case for Wales.

10.25 am

Stuart Andrew (Pudsey) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I will try to be brief because I have taken part in debates about this issue in the past.

I congratulate the hon. Member for Clwyd South (Susan Elan Jones) on securing this debate. I like the fact that the debate's title as set out on the Order Paper is positive, and I will resist joining in the accusations against the Secretary of State for Wales—I will wait for her performance this afternoon before the Welsh Affairs Committee.

I want to keep the debate positive because it is important that those of us in favour of High Speed 2 galvanise a campaign in support of it. I have seen the comments of business leaders in the *Yorkshire Post* in support of the scheme, but that is not enough and we need to bang the drum much louder. A high-speed rail link will not solve the north-south divide, but it will go a long way to remedy some of the problems. It will help us to rebalance the economy so that growth is moved across the country and is not only in the south-east of England. As has been mentioned, we must start dealing with problems of capacity. The west coast main line is already creaking; passenger numbers have doubled over the past six years, with 28 million passengers a year on that line alone. From a personal point of view, it is predicted that 40% more passengers will travel through Leeds station. We must start planning now, and it is time to start looking at high-speed rail. I believe that faster journey times will increase the prospect of investment in other parts of the country.

Andrea Leadsom: My hon. Friend and I have had many discussions about this issue. The most recent Government papers suggest that up to 73% of the line's usage will be for leisure travel. How will that contribute to curing the north-south divide?

Stuart Andrew: I think that the Government are being conservative in their estimates of passenger numbers and who will use the high-speed network. I was about to say that even with our current creaking transport network, Leeds enjoys the second largest financial sector in the country. If we have a high-speed route to Leeds, the prospect of increasing and expanding that financial sector could become a reality.

Figures suggest that current proposals for a line between London and Birmingham will generate 40,000 jobs. When we move to the Y-shape, there will be greater prosperity and more jobs. Globalisation means that we need to start meeting the demands of a much smaller world so that those of us on the periphery, as the hon. Member for Ynys Môn (Albert Owen) said, can also enjoy the benefits of that.

Let me refer to some of the criticisms of the scheme. Too often we hear people referring only to the line to Birmingham. The whole point about HS2 is that it will go beyond that. The Y-shaped route was the best decision made by the Government. If they had chosen only the line that went to Manchester and then Leeds, I, too, would be a critic, but the fact is that the Y-shape will bring benefits to the whole country, as was confirmed by the Prime Minister on 22 June. I have heard critics say that the line will never get that far north, but the Prime Minister has been clear on the issue.

David Mowat: My hon. Friend makes an important point about the consultation being for only the leg between London and Birmingham, which is the hardest part to achieve and the part with the weakest business case. The business case for the entire project is much better, because the line becomes easier to build as we go north. Does he agree that even though the business case for the initial part is stronger than those for Crossrail and Thameslink, it is a problem that there is consideration of only that first part?

Stuart Andrew: I completely agree. That is why I say that we must consider the project in its entirety and think about going beyond what is currently proposed and on to Scotland. We must think of the very long term, not just the short term. On the one hand, people say, "Oh, this is too many years in advance. It's not worth doing," but there is no excuse for doing nothing and we have to plan now to deal with the problem. On the other hand, however, people say, "We shouldn't be spending this amount of money when times are hard," but construction will not happen until 2017 and it will take place over two decades. I believe that the cost will be about £2 billion a year, which is similar to the cost for Crossrail, and if that was good enough for London, it is good enough for the rest of the country.

Yesterday, I sat for a short while at the back of the room in which the sitting of the Transport Committee was taking place and I heard the arguments against HS2. They seemed to centre on the claim that existing infrastructure would miss out. In fairness to the Department for Transport, it has invested lots of extra money for projects. When the people appearing before the Committee were asked what they wanted instead, they said, "Roads." Well, we have seen what has happened before in that

[Stuart Andrew]

respect. They said that the M25 junctions could be improved, which would be very helpful to those of us in the north—thanks very much.

HS2 is not a panacea, but it will dovetail into the northern hub so that we can get people to the north and around the north, and so that business can thrive. That is something that we cannot wait for and Britain needs to catch up.

Several hon. Members *rose—*

Mr James Gray (in the Chair): Order. We have nine minutes for six speakers.

10.31 am

Dr Julian Huppert (Cambridge) (LD): It is a pleasure to be able to speak in this high-speed debate, Mr Gray. I congratulate the hon. Member for Clwyd South (Susan Elan Jones) on securing it and on her excellent speech.

My party has long supported high-speed rail as an essential part of the development of Britain's public transport infrastructure. Such investment is vital to create a society in which people are free to pursue their ambitions. Economic growth has been too concentrated in London and the south-east. If the rate of growth in that area had been replicated in other areas in the past decade, the UK would have been £38 billion better off. High-speed rail is a vital investment to ensure that we manage to rebalance the economy along more equal regional lines.

One of the other arguments for high-speed rail is that it represents the type of sustainable, environmentally conscious economic growth that we need. High-speed rail is not in itself a low-carbon form of transport, as should be obvious, because machines that run at very high speeds need more power than machines that run at low speeds. However, the modal shift to which many hon. Members have referred makes it much more environmentally sustainable. In fact, that makes it vital for the long-term sustainability of our country's infrastructure. We have heard about the likely effects for Scotland of a move from air to rail. We have also heard that long-distance services on the high-speed line would free up capacity on other major rail routes. In addition, it is important to remember that the carbon benefits of rail over aviation are likely to improve, and to continue improving, as we develop new ways of decarbonising the electricity supply.

Andrea Leadsom: I have to take issue with what the hon. Gentleman is saying, because the Government's own figures suggest that the shift from air to rail is likely to be only about 7% and a number of airlines have said that that would give them the capacity to put on more long-haul flights, so it is not at all clear that there is any modal shift from air to rail. In addition, traffic flow on the M1 is expected to reduce by only 2%. Not even the Government are trying to advance the green argument.

Dr Huppert: I agree, in that I wish that the Government would advance environmental arguments more often. I do not have all the figures available, but we have heard the figures on links with Scotland. With a full Y-shaped network, about half the 7 million passenger trips that are currently made would be captured by High Speed 2 and I think that we would continue to make greater progress on that.

The nature of the route is not the only thing that matters. When we talk to people about the state of our public transport, a number of themes crop up. People find it hard to get the right information, to get the right connection at the right time and to buy the ticket that best suits their needs. I want the Government to make doubly sure that this new venture is not what some have said that it will be—a costly train for the well-off. The Liberal Democrats have long called for rail fares to be reviewed and, if possible, cut or refunded in the case of delays or bus replacement services. We must ensure that the same principles apply to High Speed 2. It is essential that, alongside the planning of the route, the Government adopt an approach that is designed to ensure a gradual improvement in terms and conditions for passengers on both bus and rail.

I want to see more commitment from the Government on what will happen in the longer term with regard to Scotland. I want to know whether they have a vision to ensure that the Y-shaped route will eventually run all the way to Glasgow and Edinburgh. We have the prospect of an exciting scheme that will be very good for the economy and for the environment. I look forward to working closely with the Department for Transport, the Minister and other stakeholders as we try to ensure that the project provides value for money, environmental and economic benefits and a public transport infrastructure that works and is in the best interests of passengers.

10.35 am

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): For the benefit of hon. Members, I will try not to repeat points that have already been made. I will also try to obey the strictures of my hon. Friend the Member for Milton Keynes South (Iain Stewart) about the north-south divide, although I do want to say something about that.

Like others, I will avoid references to long history, although I shall mention the original high-speed line—the west coast main line in the 19th century. It went from Euston station in London to the Euston hotel in Fleetwood. We also had at one time a ferry to Scotland and to Northern Ireland, so the Scots and the Northern Irish had the benefits of coming to Fleetwood. Unfortunately, we have no ferry now. We still have a railway line in Fleetwood, but we have no trains on it. Nevertheless, we are supporters of High Speed 2, and that is despite the fact that most of my constituency is 50 miles away from Greater Manchester. For the benefit of those who are not north-west MPs, I should point out that the north-west is not just Greater Manchester and Merseyside.

For us, the issue is the capacity that the project will release on the west coast main line. According to the figures that I have seen, the only increase in capacity that we are going to get in the next 10 years is one of 12%. However, the passenger load has already hit that figure, as anyone who travels on the line will know. We need capacity to be released.

There is a solution to all our problems and the debate about where the line should go in the south: we should start the other way round by building now from Glasgow to Edinburgh, and then slowly build downwards while there is a discussion in the south about where the line should end up. However, I am not sure whether civil servants could cope with that thinking.

Let us consider the figures and the real issue about the north-south divide with reference to my own county of Lancashire. If we look at gross value added in terms of what we contribute to the national economy, we see that it has been going down for the past 10 years. In 1995, the gross value added figure for Lancashire was about 88.7% of the average. By 2008, we had gone down by 10 points—that is the real issue. When the average transport spend per head in London is £802 yet it is £333 in the north-west, people rightly ask questions. For me, the key is capacity and maintaining what the coalition Government promised, which was to try to rebalance the growth in the regions, which were clearly failed by the previous Government in the past 10 years.

I want to finish by putting a technicality to the Minister. I understand that the hybrid Bill—I am not an expert on such measures—will deal with only the route from London to Birmingham. We desperately need to maintain support for the project. Somewhere in the Bill, there needs to be a mention that that is a first step that will lead to a second step to Manchester and Leeds and then, we hope, a third step to Glasgow and Edinburgh.

10.38 am

Graham Evans (Weaver Vale) (Con): I congratulate the hon. Member for Clwyd South (Susan Elan Jones) on securing the debate. I have not hidden my full backing for the proposed high-speed rail link, and I certainly cannot be accused of hiding my disdain for some of the bogus arguments made by its opponents, who have now given up even pretending that they are not nimbys. Take the hon. Member for Coventry North West (Mr Robinson), for example, who just this week said:

"There's nothing wrong with being a Nimby, openly and absolutely."

However, I do not intend to waste any more time on them.

The last time that we had a debate on this issue in Westminster Hall, I focused on busting the myths of the opponents. In this debate, I shall explain how my constituents and the constituents of the hon. Member for Coventry North West—indeed, all our constituents—will massively benefit from a high-speed rail link between London, Birmingham, Leeds and Manchester. When I say "our constituents", I really mean our constituents' children and grandchildren, because this is a long-term decision, not an election gimmick or a vanity project. Most of us in the Chamber will not be around to take the credit when the first high-speed trains arrive in Manchester. This is about taking the right decision now to ensure that our economy can compete in the decades ahead so that the next generation, which has already been saddled with huge levels of debt thanks to the previous Government, is not also stuck with a jammed-up rail network, which would have crippling effects on our international competitiveness. After all, we would not want to run a 21st-century economy on A and B roads when we could build motorways.

All our major global competitors already have high-speed rail lines or are investing in them right now. If we do not go ahead with High Speed 2, we will be left behind. Network Rail estimates that London-Manchester passenger demand will grow by 61% by 2024. It is clear that "upgrading is not enough" and that

"incremental improvements in the existing network are unlikely to be able to keep up with rapidly growing passenger demand".

That should be a warning to opponents.

David Mowat: I want to touch on one quick point that my hon. Friend and others have made in error. They suggest that this is all about Manchester to London, Leeds to London or Edinburgh to London, but it is not—it is about getting to Europe as well. The links to High Speed 1 are fundamental to our communities, and we must not let the debate become polarised so that it focuses only on London.

Graham Evans: I am most grateful for my hon. Friend's intervention and I take his point.

Network Rail is clear about what the solution should be. It says that High Speed 2 "solves the capacity challenge" and that the proposed line would

"deliver a very large increase in capacity, including freeing up capacity on the existing network for freight, more frequent services for cities not served by the high-speed line and increased commuter services."

That means that the constituents of the most earnest opponents of High Speed 2 will benefit directly from the plans. The point about freight is also crucial. If we are to rebalance our economy, with more northern-based manufacturing—figures show the Government are already making strong progress on that—that will involve demands for additional freight capacity.

High Speed 2 therefore directly benefits a wide range of people, from commuters in Cheshire to manufacturers in Coventry. A lot of flim-flam will be spoken about the business case for high-speed rail by its opponents, but the business case is strong. The estimated benefit to the economy is more than £40 billion pounds.

Andrea Leadsom: Will my hon. Friend give way?

Graham Evans: No, I need to finish.

More than 40,000 new jobs will be created, with an additional 30,000 jobs created at the ends of the line and around the new stations. The taxpayer will enjoy benefits worth more than double what the project will cost. However, hon. Members should not just take it from me or the Government that the business case is strong. Hundreds of leading businesses across the country back the plans, and Network Rail, having carefully examined all the different options, said that it

"found the business case for a new high speed network was robust."

Steve Baker: Will my hon. Friend give way?

Graham Evans: No, I need to finish.

Hon. Members will forgive me if put more stock in the words of Network Rail and Britain's business leaders than in those of, say, the South Northants Action Group Against HS2. High Speed 2 will help to deliver economic growth.

Andrea Leadsom: Will my hon. Friend give way?

Graham Evans: No; I am sorry, but I need to finish. My hon. Friend should have come earlier.

[Graham Evans]

High Speed 2 will deliver low-carbon economic growth, dramatically reducing the demand for domestic flights and shifting 6 million journeys from aviation to rail. Finally, let me try to humanise the benefits. In the previous debate, I talked about how High Speed 2 will give businesses and families—

Mr James Gray (in the Chair): Order. I call Andrew Gwynne.

10.42 am

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Clwyd South (Susan Elan Jones) on securing the debate and on putting her case. She added a distinctively Welsh dimension to the debate on high-speed rail. As someone who studied at college in north-east Wales, and who travelled weekly from the Shotton and Wrexham stations to Manchester for a good three years, I fully understand the issues she raised about connectivity, particularly with north-west England.

Across the world, our major competitors are investing in high-speed rail, and it is important that Britain is not left behind in the race for faster connectivity. As my hon. Friend said, the prospect of bringing our major cities closer together brings with it the potential to boost investment and economic growth in the regions of England—and particularly in the north of England—Scotland and Wales.

During its period in government, the Labour party began the process of moving Britain into the high-speed age. Through electrification, more advanced trains and investment in new technology, we cut journey times on our major inter-city routes. Where there was a need for a new line, we delivered it, constructing the first major new railway for more than 100 years, between London and the channel tunnel.

Before we left office, we began to plan the next stages of the process of moving our rail network into its high-speed future. We prepared for the next phase of electrification and the procurement of the new generation of more advanced inter-city trains. We began to work with Network Rail to identify the next priorities for investment to increase capacity and reduce journey times, such as the northern hub proposal.

We therefore welcome the Government's decision to take forward much of the electrification that we planned, although we are disappointed at the decision not to stick to our commitment to electrify the final part of the great western main line between Cardiff and Swansea. A commitment should also have been made to ensuring that the midland main line is the next important priority for electrification. We also welcome the decision to proceed with the inter-city express programme following the further review carried out by the Secretary of State, although we still have to hear an adequate explanation of why the number of new trains has been scaled back so considerably.

Of course, Labour Members also welcome the Government's decision to continue to plan for the new high-speed line that is proposed to address the capacity issues on the west coast main line, which will get worse in later years, as we have heard from the hon. Members for Northampton South (Mr Binley), for Lancaster and Fleetwood (Eric Ollerenshaw), for Pudsey (Stuart Andrew) and for Weaver Vale (Graham Evans). Within the next 20 years, the average long-distance west coast main line train is projected to be 80% full and routinely to have very severe overcrowding for much of the time. The new line will also bring reductions in journey times.

We welcome the Government's decision to drop their pre-election insistence that passengers should have to go via Manchester to get to Leeds, which the hon. Member for Pudsey mentioned. We also welcome the alterations that have been made to the route to do more to mitigate the scheme's impact on local communities and the environment, although there is still concern about the impact of the new line, and that needs to be addressed.

Thanks to the decision to take only the powers needed for the route from London to Birmingham, there is considerable scepticism about the Government's commitment to take a new line further north. Labour's plan was always to have one hybrid Bill for the entire new Y-shaped line. Of course, that would have meant that the Bill was delayed—perhaps by a year—but it would have saved considerable parliamentary time across the project. I therefore urge the Minister, as I did in a previous contribution, to think again about that.

The Minister cannot be surprised at the scepticism that exists, when even her own MPs are giving the game away about the true reason for the Government's conversion to high speed. Only yesterday, writing on ConservativeHome, the hon. Member for Cities of London and Westminster (Mr Field), who was here for the debate earlier, said:

> "Indeed, the genesis of the project was a response to relentless business criticism of the Party's decision to oppose a third runway at Heathrow. HS2 allowed the Conservatives in Opposition to cloak itself in a visionary, environmentally friendly, long-term transport policy."

That suggests that, for the Government, the policy is not necessarily about narrowing the north-south divide, but a fig leaf for their lack of an aviation policy and, I might even add, a growth policy.

In contrast, the Labour party's support for increasing speed and capacity is something we delivered on in government and is rooted in our genuine commitment to the rail network. It is vital that we think it terms of a single high-speed rail network across Britain, and that we achieve reduced journey times and increased capacity through a programme of electrification, new advanced trains and new lines, where that is the best way to address capacity issues.

In the policy review we are carrying out, we are looking at what the future strategy should be for rail in Britain as a whole. It makes no sense to look at proposed new lines in isolation or to preclude them from our review. A number of issues are being raised with us as part of our review, and the same is no doubt true of the Government's consultation. I would therefore welcome the Minister's response to a number of those issues.

First, there is considerable concern that any new lines should be fully integrated into the existing rail network. We must ensure that we can maximise the benefits of the proposed new lines, with rail all over the country and with major London projects such as Crossrail and Thameslink.

There is a view that the precise alignment of the route the Government have chosen is driven very much by the very high top speeds proposed for the new line. That speed is considerably above that on high-speed lines in use across the world, and some countries—notably China—are even slowing down their high-speed trains to address cost, energy use, safety and environmental concerns. Some believe that the need for the route to go through a sensitive part of the Chilterns is entirely down to the speed calculations that have been made. It would be helpful if we had some clarity on that.

Andrea Leadsom: Do the Opposition intend to respond to the consultation by 29 July?

Andrew Gwynne: The Opposition will take full part in all these debates, I assure the hon. Lady of that.

There is widespread incredulity at the fact that the cost of actually using the new lines does not feature at all in the current consultation, when, surely, that is a critical factor. If the whole point is that passengers will make the switch from the existing lines to reduce overcrowding on them, how can any assessment have been made of the likelihood of that happening without any knowledge of the likely difference in ticket price between the two lines? We know that it costs more to travel on High Speed 1 than on other services along that route, and there is no reason to believe that the proposed new line will be any different. Speaking of HS1, the Secretary of State for Transport announced in an interview in the *Financial Times* a few days ago that, just as with HS1, he proposes to sell the new line even before it has been built—something I would have hoped he might announce to Parliament.

A further issue that comes up frequently in our policy review is the decision not to join up the new line to Heathrow from the start, as my hon. Friend the Member for Hayes and Harlington (John McDonnell) suggested. That is of course our only major hub airport. In opposition the Minister said that

"failing to take HSR through Heathrow would be a big mistake".

Instead, what is proposed is an expensive further spur to be built at a later date.

Not surprisingly, the cost of the scheme continues to cause concern. It has previously been acknowledged that the construction costs for major projects in the UK are significantly higher than for comparable projects elsewhere in Europe. It is vital that the Government work with Infrastructure UK to find ways to ensure that the cost to the taxpayer of the scheme is kept under control.

Finally, I repeat the concern already raised that the proposed hybrid Bill includes only part of the new line. Surely one hybrid Bill on high speed is enough.

Rail is thriving in Britain. More people are travelling than at any time since the 1920s. There are 1.3 billion journeys by train every year, and predictions of a doubling of that figure in 30 years. Increased capacity and continuing reductions in journey times are essential to the continuation of such success. That is why we made great strides towards high-speed rail in government, and why the debate about how any new lines that are needed are delivered is so important.

10.52 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Clwyd South (Susan Elan Jones)on securing a debate on this important issue, and I welcome the widespread support for the Government's plans, expressed from both sides of the House by a clear majority of the hon. Members present. I hope that all colleagues who attended, including those who did not choose to stay to the end, will encourage all their constituents to take part in the consultation, which closes on 29 July, and make their support for the Government's proposals clear.

In answer to the questions, there is no delay; the timetable that we are taking forward is the same as the one proposed by the previous Government. On the allegation of the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), repeated yet again, that we are not serious about going to the north of England, we supported a link to the north of England before Labour did. We supported a national network while Labour's 30-year strategy for the railways ruled out high-speed rail at all. They are the people who are late to the party on high-speed rail, so the hon. Gentleman is in no position to criticise us. Nor is he in any position to criticise our approach to international connections. Labour had no connection to Heathrow in its plans, and nor did it put forward proposals to connect HS2 to HS1. Both those facts show that Labour was not serious about international connections. In response to questions on this point, and the points made by my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw), I repeat my support for taking high-speed rail to the north of England.

Questions were asked about a hybrid Bill and yes, the first hybrid Bill will cover the first phase, but we hope to go on in due course to an informal consultation next year on phase 2 to the north of England, with a hybrid Bill in due course in the next Parliament. I emphasise that the Government entirely recognise the concerns of communities about the preferred route and the potential impact on their local environment. We are listening to all those concerns. We have already made changes to about half the route that we inherited from our predecessors. As has already been mentioned, while our preferred route passes through the sensitive Chilterns area, all but 1.2 miles of it is in either a tunnel or a cutting, or alongside a main transport corridor—the A413 being a particular example. I am convinced that the result of the extensive process of consultation on the hybrid Bill will not be nearly as negative for communities as they fear. I am confident that with careful mitigation we can address the most serious local impacts, as happened so successfully with HS1. Intense controversy surrounded that first stretch of high-speed rail for the UK. Because of the hard work that went into getting the right route and the right mitigation, HS1 has not had the disruptive impact that communities feared it would. We can do the same with the route for HS2.

On what my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) said about HS1 somehow pushing up fares on the conventional service, the fares decisions taken by the previous Government were related to capacity enhancements and improvements on the conventional existing line, and not to HS1. The hon. Members for Clwyd South and for Ynys Môn

[Mrs Theresa Villiers]

(Albert Owen) made points about Euston, and of course there is more work to be done in relation to Euston—and the rest of the route. That is why HS2 Ltd is working with Camden residents, and why it is entirely legitimate for Members of the House to make representations about the Government's preferred route.

As to points that were made about the Secretary of State for Wales, we are, as I have said, undertaking an extensive consultation on a preferred route for high-speed rail. No decision has been taken about the right route. All we have is a preferred option. It is entirely appropriate for MPs, including members of the Government, to take part in a debate about what final route should be chosen and make representations on behalf of their constituents.

Andrea Leadsom: Will the Minister give way?

Mrs Villiers: No.

Several points were made—

Albert Owen: Will the Minister give way?

Mrs Villiers: I am afraid I really do not have time. We have had a good debate.

Albert Owen: On the Welsh Office.

Mrs Villiers: I am sorry; I have many points to respond to, and only about another seven minutes—[Hon. Members: "Four minutes."]—four minutes.

There was strong support from my hon. Friends the Members for Weaver Vale (Graham Evans), for Warrington South (David Mowat), and for Pudsey (Stuart Andrew). I also note the support of my hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke). A fundamental reason for our need for high-speed rail is to deliver the capacity we need to meet the growing demand for inter-city travel. Despite significant capacity upgrades in recent years, with more to come on the west coast, Network Rail predicts that the line will be pretty much full by 2024. That saturation point could come earlier. If we fail to provide the capacity we need, we will significantly hinder economic growth and worsen the north-south divide. No Government can afford to sit back and ignore that. High-speed rail can provide the capacity we need, as well as shrinking journey times between our major population centres, spreading prosperity and creating jobs, without a net increase in carbon emissions. As the hon. Member for Cambridge (Dr Huppert) said, that is just the sort of sustainable growth we need.

High-speed rail will reshape our economic geography and start to tackle and reduce the economic divide between north and south, as my hon. Friends the Members for Lancaster and Fleetwood and for Pudsey pointed out. The full Y-shaped network is expected to generate about £44 billion for the economy. We are convinced that high-speed rail will do a tremendous amount to integrate the economies of Manchester, Sheffield and Leeds, and to spread prosperity well beyond the cities that are directly served by the line, including destinations in north Wales. As the hon. Member for Clwyd South pointed out, examples such as Lille show that those regeneration benefits are felt well beyond the cities that are directly served by the stations. We believe that the country should aspire for the future to a genuinely national network, which we hope, of course, will include Wales and Scotland. However, long before that point, passengers in Scotland are expected to benefit significantly from shorter journey times resulting from the Y-shaped network, with journeys of 3.5 hours from Glasgow and Edinburgh to London providing an attractive alternative to flights, as highlighted by the hon. Member for Rutherglen and Hamilton West (Tom Greatrex).

North Wales is also likely to benefit as a result of the project we are considering today, because of a GDP boost resulting from taking high-speed rail to Birmingham and then on to the north-west, with benefits in inward investment and tourism. We are determined to do as much as we can to respond to the points that have been made today about the importance of ensuring good connections from the conventional network into new HS2 services. That is one way in which we will succeed in spreading the benefits as widely as possible. Such good connections should enable north Wales passengers to benefit from faster journey times. HS2 would also release capacity on the existing network, benefiting north Wales and destinations in the west and east midlands and the north of England, including Northampton—

Mr James Gray (in the Chair): Order. I apologise for interrupting the Minister. I congratulate hon. Members on the fact that 14 of them have been able to speak in the debate, which is a pretty reasonable number.

Youth Unemployment (Mitcham and Morden)

11 am

Siobhain McDonagh (Mitcham and Morden) (Lab): I am delighted to have been given the chance to speak in Westminster Hall, but I am sorry about the circumstances that led to my asking for this debate.

In my constituency of Mitcham and Morden, which the Minister will know well, the number of unemployed jobseeker's allowance claimants has reached 2,776. From the moment when I was elected in 1997, it looked as though unemployment had slipped off the agenda, because it fell during my first 12 years as a Member. In April 1997, weeks before I was elected, the unemployment rate in Mitcham and Morden was 5.4%. Even in April 2009, at the height of the recession, it was only 3.7%. However, it is now back up to 5.2%.

The effect of unemployment is perhaps greatest on our young people. If they cannot get work early in life and learn the discipline of the workplace, it becomes harder to find work. For older people, gaps in a CV can make life difficult when applying for jobs, but for young people it is much worse. After a decade during which we invested enormously in education, exam grades have risen and young people's aspirations are high, but their aspirations cannot be met.

Nationally, unemployment among 16 to 24-year-olds has risen to 895,000. In Mitcham and Morden, the unemployment rate for the under-24s has shot up to 11.6% in the past year. Today, only 39 constituencies have a worse ratio of vacancies to JSA claimants than in my constituency. In May, our local jobcentre had only 124 jobs.

The scarcity of jobs has made life more difficult for young people looking for work. They have the disadvantage of lacking experience. We must not allow a return to the 1980s, when a whole generation of young people lost out and many drifted into a life of benefit dependency, which affected not only them but their children. We still feel the social effects of that period of long-term unemployment.

For many communities, the jobs have returned, but on some estates a culture of worklessness has taken hold. A generation on, we are still dealing with the consequences of young people having been unemployed in the 1980s—I say, never again. In the 1980s, youth unemployment continued to rise for four years after the recession was over. I want to stop another generation of young people in Mitcham and Morden having to go through that.

When the coalition Government were elected, their first steps were like a war against young people: they increased student fees; they abolished the education maintenance allowance; and they slashed the future jobs fund. It is true that youth unemployment across the country rose as a direct consequence of the recession, but a year ago it started to fall, and many believed that the future jobs fund was helping unemployed young people to gain opportunities that would help them into work.

Just over a year ago, however, the Prime Minister described the future jobs fund as a "good scheme", and the Liberal Democrat spokesperson said that "more help is needed for young people, not less."

It is baffling that the fund has been scrapped. Last summer, I met a group of young people who had enrolled through the future jobs fund and who were getting good work experience at a local charity, the Commonside community development trust. I wanted to hear about their experience.

There were nine youngsters on the scheme—one dropped out, but the others had a better time. They were given a range of things to do, from helping to run a community centre to dealing with older people in the lunch club and undertaking basic admin duties. I am told that, a year on, four are now in work, and three have gone back into education. I see one of those young people regularly at my advice surgery every Friday—not, I hasten to add, because he needs to see me about problems, but because he has a full-time job on the ground floor of the same council building. His name is Kyle Bryant, and he believes that the future jobs fund helped him to get his current job. It certainly showed that he was willing, and his experience there gave him a better CV.

I take this opportunity to congratulate Kyle and his fellow graduates of Commonside's future jobs fund programme. They did the right thing by helping out a worthwhile local charity, and getting some good experience, and many are now reaping the rewards. I am sure that other hon. Members have similar tales, but for me, meeting young people like Kyle brought home just how difficult it is for young people who cannot find work to get the necessary experience without extra help. Now that the future jobs fund has been scrapped, the opportunity to gain good experience is even harder to come by.

Internships have been seen as a way to get ahead. However, the Deputy Prime Minister rightly criticised the way in which internships often favour those who already have good connections. Indeed, he has used privileged access, through his family, to secure top-notch work experience. However, that is not an option for many in Mitcham and Morden. We tend not to have many people with connections to top jobs in the public sector, let alone to senior bankers or business people. I therefore wondered what sort of role I might play.

In some respects, Members of Parliament are the hub of their community. We have no real power on our own and we do not have access to public funds, but we know our constituencies and the people and businesses that make them tick. I therefore decided to facilitate a work experience programme in Mitcham and Morden for our unemployed young people. The idea came after chatting with the Stranks of Strank Roofing, a successful local firm that I know through the charities that it supports and through its sponsorship of our local football team, AFC Wimbledon. I hope, Mr Gray, that you will not stop me congratulating the team on getting into the Football League after only nine years.

Mr James Gray (in the Chair): They are no longer unemployed.

Siobhain McDonagh: They were not unemployed before, but they are now in the full-time league.

Irene and Paul Strank told me that they wanted to help young people who could not find work, but that they found Government schemes a little too prescriptive and bureaucratic. For instance, the new Government work experience scheme that began in January requires

[Siobhain McDonagh]

employers to sign service level agreements, complete health and safety questionnaires, and to receive visits from the jobcentre. Those requirements often put off people such as the Stranks.

Anyone who has offered work experience to schoolchildren—many Members do so, including me—will know what a hassle it can be. I perfectly understand why employers are reluctant to participate in Government schemes. However, the Stranks were sure that other firms would feel the same as they did and would want to train young people—if they were any good, there might be a job at the end of it—but without the hassle, the form-filling or the sense of being monitored by the authorities.

I therefore decided to contact every local business and voluntary group in Mitcham and Morden, and a few others just outside our borders, to see whether they would offer work experience for a couple of months to unemployed youngsters from my constituency. Thanks to Anna in my office and some amazing volunteers from my local Labour party, particularly Ross Garrod, who has been trying to build up a new set of skills after leaving university, I have been able to convince nearly 40 organisations to take on at least one young person.

These organisations cover a wide spectrum, and include many organisations that I thought would not have wanted to become involved. Indeed, the Minister will know some of the organisations at first hand; they include the premium hotel Cannizaro House and *Cosmopolitan*, the women's magazine—although he probably knows less about the latter. The youngsters have opportunities from retail to tyre fitting, and from schools to legal firms. The Elective Orthopaedic Centre has offered two placements for people thinking about applying to medical school, but who have no medical contacts in their families. That is extremely exciting for the people in my constituency. Shelley Engineering, a local architectural metal work company, is a family firm that employs 20 people. It said that it is desperately looking for the right young person, and if it finds one it will happily award an apprenticeship. In short, there is something for a wide range of abilities and interests.

I also contacted all the companies that infamously auctioned internships to raise funds for the Conservative party. I explained that not everyone in Mitcham and Morden could afford to bid thousands of pounds for the sorts of privileged opportunities that seemed to be available to Conservative sponsors. I said that, as work experience with them was so prestigious, it would be nice if they were to spread the opportunities around. Unfortunately—perhaps it was not a great surprise—those firms would not join in. I imagine that the kind of people who would auction their best openings to raise money for the Tories would want to restrict them to privileged people like themselves. That only served to convince me more of the need to press ahead with creating opportunities for my young constituents.

After I received promises of up to 50 placements, I put together a brochure and sent it to every household in Mitcham and Morden that included someone under the age of 25. I would like to thank Rob Geleit, a Labour party member from Epsom with design skills, for laying out the brochure, the Communication Workers Union for agreeing to print it and Asda for agreeing to post it. I would also like to thank Liz Sherwood, a local Labour party member, who has taken early retirement from Camden council, for agreeing to act as mentor for both the young people and the businesses. A couple of weekends ago, she met more than 23 potential applicants and helped them write letters and e-mails to potential employers. It was a heart-warming experience to see the mums who came in with children who had learning difficulties and the women in their 40s who came for a hand to get a work experience job.

I also thank my local jobcentre for its advice and its willingness to give this project a go. I must confess that a couple of years ago I called a debate here to complain about how unhelpful it was, so I was nervous about how it would respond to me this time. I was concerned that it would insist on a level of bureaucracy that would put off potential providers, or that it would tell our young people that if they went on a placement they would lose their benefits. Nothing could have been further from the truth, and the jobcentre has been amazingly accommodating—perhaps that is because our work experience scheme is so much more flexible than the Government's. Obviously, even while young people are on their placements, they can still be looking for work and be available to start at a moment's notice, and no organisation wants to be seen as a bad boss.

The jobcentre has not had the reputation for being the most enterprising organisation. However, any such criticism could not have been further from the truth. Ailsa Evans, in particular, was both helpful and flexible. Each work experience placement can last anything from eight to 12 weeks and cover a range of hours. In essence, I have been a facilitator between organisations and young people, but they come to their own arrangements, and Ms Evans has been happy with that.

The brochures have now been delivered and there have been hundreds of applications. Most organisations have told me that they have had a positive response. Merton chamber of commerce, for instance, has had more than 40 applications. Several placements have already begun, and later this year I plan to host a party for everyone who has taken part—host organisations and young people.

There has been a buzz about the scheme that has taken me by surprise. One potential applicant, Sambavi, applied for one of the medical positions. It is not the sort of opportunity that often arises for people from places such as Mitcham, where he lives. He said:

> "Thank you for your Work Experience booklet. I have been spending the past 4 weeks trying to find work experience that is suitable for Medicine...I received your letter and booklet, earlier today, and I am very thankful."

On the whole, the potential employers have also found the process worthwhile. Jeffrey Ward, the General Manager at Cannizaro House hotel said, "It's great." Nilmini Roelens of Roelens Solicitors said:

> "We hope to accommodate at least two or three applicants over the summer and to provide the young people concerned with what I hope will be valuable insight into the work at a firm of solicitors. It may be that, from the two or three people we will have met, we can consider at least one for a longer term position at some point in the future."

We have also had positive e-mails from Merton adult college, St Mark's family centre, the Vine furniture project and the Ursuline high school.

The reason why I asked for this debate today is that I want to encourage more MPs to take a similar approach, especially in areas such as Mitcham and Morden, where youth unemployment is high and where there are few people who can find opportunities through their daddies or who can afford to enter auctions to support political parties. I recognise that many Members will need help on this, and I hope that the Department for Work and Pensions will be able to offer it.

It is a terrible mistake to have ended the future jobs fund and to have taken away opportunities for people like Kyle in Mitcham and Morden and elsewhere. I am concerned that any new scheme will be so bureaucratic and inflexible that few organisations will want to participate. I understand that Jobcentre Plus will run the scheme. Rather than being hands-off facilitators as I am, jobcentres will hold lists of potential employers and send work experience people to them.

From this summer, it will be mandatory for jobseekers to take placements, so even those who do not want a placement will be placed. I do not think that many people will want to take on an unwilling conscript for work experience. Moreover, as the work experience that is being foisted upon jobseekers could be for as little as just two weeks on the new Government programme, it is hard to see what anyone will get out of it.

In my own experience, such short placements often create more work than they save. An employer spends two weeks showing someone how to do a job, but by the time the jobseeker has learned how to do it, they have left. Then the employer themselves has all their own work to catch up on. Worst of all, though, the new Government programme suffers from exactly the same pitfalls of bureaucracy and inflexibility that the Stranks complained about. Participating employers will have to fill out service level agreements and health and safety questionnaires, and there will be visits from Jobcentre Plus-appointed employer advisers. Firms also have to provide a dedicated mentor or supervisor. As a result, small firms, which make up the majority of employers in my constituency, are unlikely to want to participate, and the quality of work is also likely to be compromised. Those that want to participate will very much be in a minority. We need high quality organisations, big and small, offering a variety of opportunities to young people who want to find an internship, but who cannot afford it or do not have the right connections.

I am not saying that my scheme is perfect. It is not an alternative to investment in jobs or to the economic growth that we need to create jobs. Of course my party believes the coalition's cuts are too soon and too hard, and that that will endanger jobs and growth. None the less, I hope that my model of flexibility, with MPs or other community leaders acting as a hub for local organisations and local people, will be looked at and learned from. I hope that this debate has been helpful for the Minister.

11.16 am

The Minister of State, Department for Work and Pensions (Chris Grayling): It is a pleasure to serve under your chairmanship again, Mr Gray. It has been a frequent occurrence in recent times. I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate.

I will divide my remarks into two halves. First, I congratulate the hon. Lady on a project that is very big society, and exactly the kind of thing local MPs should be doing. She is right to describe our ability to open doors in constituencies, to secure involvement in community projects and to go places other individuals and groups perhaps cannot go. She has clearly done that in her constituency and I praise her for it. I will talk a bit more about that in a moment.

Much of the rest of what the hon. Lady said was complete hokum. She is rewriting history and misrepresenting some of the realities of our work. None the less, I praise her for her sincerity in calling this debate and for the work she is doing: it is absolutely right. I am delighted that Jobcentre Plus is working well with her, but that is no accident. It has specific instructions to do just that. In particular, she talks about the issue of two weeks versus eight. Under the previous Government, a jobseeker lost their benefits if they did work experience for more than two weeks. It was a crazy situation.

One of the first things I received on becoming a Minister was an e-mail from the mother of a young woman who said that her daughter had arranged a month's work experience for herself with a local firm, but the Jobcentre Plus office had told her that if she did it she would lose her benefits. That is clearly a crazy situation, and one that we moved quickly to change. A jobseeker can now do work experience for up to eight weeks while on benefits. If they are moving from that eight weeks into employment or an apprenticeship, that programme can be extended to 12 weeks. Therefore, it is down to the policies of this Government that the hon. Lady can deliver her scheme. Under the previous Government, that would not have been the case. Those young people would have lost their benefits after two weeks.

Siobhain McDonagh: My scheme came about because the future jobs fund had been scrapped. The future jobs fund, for me, was the way forward. I was looking for an alternative and I came up with this idea; it does not replace the future jobs fund.

Chris Grayling: I will come back to that in a moment. The hon. Lady is right to say that it does not replace the future jobs fund; it is part of a package very different from what we had before. My point is that it would have been impossible for her to put together a scheme under the rules that operated under the previous Government. Her scheme is worth while and valuable and I commend her for it.

Let me give some context to the youth unemployment challenge. Youth unemployment today is lower than it was at the general election. The picture of youth unemployment has been building up over a decade. One of the myths is that it is a problem simply linked to recession. If we look at the trends in youth unemployment, we see that it began to rise in 2003 and the problem became more and more significant as the years went by. It was becoming a problem through good times as well as bad.

Siobhain McDonagh: Since the general election, youth unemployment in my constituency has risen, not fallen. The problems are greater now than they were before the general election.

Chris Grayling: The hon. Lady is right to say that; there are now 95 more young people on jobseeker's allowance in her constituency than at the time of the general election. I accept that point and I accept that she has challenges in her constituency, but I am making a more general point. A number of her colleagues have said—although she has not—that they see youth unemployment as a crisis of the current Government. I am simply making the point that, happily, youth unemployment today is lower—not by a lot, but it is still lower—than at the time of the general election. It is a big challenge for us to bring youth unemployment down, and I regard it as a big problem that we must address, deal with and solve.

Of course, there are different challenges within the overall headline figure of 895,000 young unemployed people that the hon. Lady referred to. Some 300,000 are actually in full-time education, and they show up in the unemployment figures simply because they are looking for a part-time job. The actual figure for young people who are not in education or employment is around 650,000 at the moment. That figure is much too high, but the reality is that within it is a core of young people who represent a real challenge, and I suspect that among them are the young people in the hon. Lady's constituency whom she described. To me, that core represents one of our biggest employment challenges.

The approach we have taken to tackling youth unemployment has three dimensions. I will walk the hon. Lady through them, step by step. To begin with, however, let me address head-on the issue of the future jobs fund. The future jobs fund was an extremely expensive scheme that provided work placement opportunities in the public and voluntary sectors, not in the private sector. It had virtually no private sector involvement at all. All of the jobs created in this country in the last 12 months—all of the increase in employment—have come in the private sector. The future jobs fund is some three or four times more expensive per job outcome than even the new deal for young people under the previous Government. So, the future jobs fund was an extremely expensive scheme that steered young people towards what I believe is the wrong part of the economy in terms of building experience. We took a view very early on that it was not the right solution for the future. The key step that we have taken to replace the future jobs fund is not work experience; it is a dramatic increase in the number of apprenticeships. That is the first part of our three-legged response to the youth unemployment challenge.

During the past 12 months, we have increased the number of apprenticeships available by the best part of 100,000. We introduced an extra 50,000 apprenticeships in the first year, we announced an additional 25,000 apprenticeships to follow, and we topped that up still further in this spring's Budget with an extra block of 20,000 apprenticeships that specifically target young unemployed people. We think that increased numbers of apprenticeships are a better option than the future jobs fund. We have looked at the nature of the challenge in the labour market, and we believe that finding young people opportunities in private sector businesses over an extended period—an apprenticeship lasts one, two or three years—and where there is an ongoing training opportunity alongside that apprenticeship, provides a better foundation for a lasting career than a short-term placement of the kind that the future jobs fund offered. Of course, the future jobs fund was also massively more expensive than apprenticeships.

We have taken that decision. I know that Opposition Members do not agree with it, but it is a clear strategy that says, "We think apprenticeships are better than the placements the future jobs fund offered, and they are also much more affordable, given the very straitened financial circumstances we inherited."

I am very pleased that my colleagues in the Department for Business, Innovation and Skills have been as successful as they have in securing employer participation in the apprenticeship programme, and that they have met their goals for getting employers to provide apprenticeship places, which did not happen under the previous Government. Apprenticeships are a really powerful tool that will make a big difference in the years ahead.

Alongside that approach, we are dealing with what I have described as shorter-term youth unemployment. The reality is that the vast majority of young people who are unemployed move off JSA within nine months; there is a pretty steady off-flow and after nine months there is a much smaller core of young people who are struggling to get into employment. First and foremost, I want to see that shorter-term group move into employment more quickly, because even a few months without employment is too long in my view. So we designed the work experience scheme to provide a bridge for young people who did not have previous experience in the labour market or the workplace, to get them into the workplace and give them an extended period of working opportunity of up to eight weeks. The hon. Lady and I are absolutely of like mind about the need to give people an extended opportunity in the workplace and a chance to demonstrate to employers what they can do, so that hopefully—at least in some cases—those employers can offer them jobs. That has certainly happened in many parts of the country.

The hon. Lady is not right about the nature of the rules for the work experience scheme. The scheme is voluntary. The "bureaucracy" that she described is on one sheet of A4 paper. It simply involves signing a piece of paper that says, "I will treat this person responsibly, in the way that I treat my own employees". That is important, because we do not want excessive bureaucracy. I have been through those forms personally and I can assure her that that is the case.

There will be contact between a Jobcentre Plus employment team member and the employer because that is what the team member is there to do. We have tasked Jobcentre Plus staff not only with changing the rules about the number of weeks someone can do work experience without losing benefits, but with finding work experience opportunities. That is why I am really pleased that the Jobcentre Plus staff in Mitcham and Morden are working in partnership with the hon. Lady. I expect and want our Jobcentre Plus staff to continue to provide her with every support they can provide, because having an engaged local MP working with local employers to increase the number of work experience opportunities is hugely valuable. I commend her for the work she is doing, and I hope it continues and that the Jobcentre Plus staff will be there to work with her to help ensure that the work experience scheme is happening.

Around the country, Jobcentre Plus staff are looking for opportunities. There are now some 35,000 committed work experience places for young people, and thousands

of young people are in work experience placements as we speak. Many have succeeded in going into apprenticeships or full-time employment, and I hope that the number doing so will increase as the months go by. We hope to build the work experience scheme over the next two years, so that we provide 100,000 places to deliver the kind of benefits the hon. Lady has rightly described today.

Then, there is the third leg of our stool. The hon. Lady rightly mentioned the challenges that some young people face. There are many young people who have grown up in difficult circumstances and have been on benefits for a long time, and for whom getting into the workplace is a bigger challenge than for other young people. Perhaps they also lack the right qualifications, motivation and experience, and the knowledge of how to get into the workplace. That is where the work programme comes in. It is designed to deliver much more specialised, personalised and tailored support than has been provided in the past.

Young people who do not have significant issues in their lives will enter the work programme after nine months, which is sooner than under the previous, and much less substantial, new deal programmes. However, young people with particular challenges will enter the work programme after three months and will receive personalised support to help them identify the right opportunities: providers who will secure placements for them, work trials, work experience, training courses and other things that will better equip them to enter the workplace.

Of course, the great benefit of the work programme is that we do not seek to design it from the centre. The hon. Lady talked about bureaucracy earlier, but the whole point about the work programme is that bureaucracy is not there. We are saying to the providers, "You do what you think is best. You develop the right programmes to support these young people and others into the workplace. We'll pay you when you're successful." In each area up and down the country, there are teams of specialists led by prime contractors, including organisations that have real expertise in working with young people, such as the Prince's Trust.

Siobhain McDonagh: From my experience of my own constituency and of London as a whole, those contracts are so large that many of the small local organisations, such as the Commonside Community Development Trust, have been unable to get involved in the work programme, and yet they have the experience on the ground. What can the Minister do to ensure that those small local organisations get a look-in with that programme?

Chris Grayling: Of course, the whole structure of the work programme is designed to reward excellence. Any organisation that is really good at its job of getting people into work will find a willing entrée with the providers. A whole mix of organisations is involved—from the largest voluntary sector organisations, such as the Prince's Trust, through to a walled garden project in Yorkshire. We have a whole mix of different organisations providing the support. What matters is what works and that we have solutions that deliver real options for young people, getting those who are unemployed—particularly the long-term unemployed—into the workplace. For me, that is the challenge.

I accept the hon. Lady's analysis: that we have a problem, in that many young people are stranded and struggling and need to be given a helping hand into the workplace. I hope and believe that the mix of programmes we have put in place—increased numbers of apprenticeships and the work experience scheme, helped by big society projects such as hers, and the intense support provided through the work programme—will start to make a difference, and in a way that I must say is much more affordable to Government than the future jobs fund was. In addition, those programmes will steer young people to where the jobs really are: in the private sector businesses that represent our employment hope for the future.

I believe that that is the right approach. The hon. Lady and I share a commitment to tackling the problem of youth unemployment. We may not agree on all the solutions, but she should know that the Government are committed to solving that problem.

11.30 am

Sitting suspended.

Gypsy and Traveller Planning

[MR MIKE WEIR *in the Chair*]

2.30 pm

Priti Patel (Witham) (Con): It is a pleasure to see you in the Chair, Mr Weir. I am delighted that Mr Speaker has granted this debate, and I am thrilled to see so many colleagues here who clearly have a similar interest in the subject. That demonstrates the extent of the significant problems with the issue across the country.

It has been seven months since the debate on 7 December about Gypsy and Traveller sites. Given the Government's decision to extend until August the consultation on the proposed new planning circulars on Traveller sites, this is an opportune moment to discuss the matter directly with the Minister—I am grateful for his time.

The issue has taken on additional importance in the county of Essex after the decision to evict the occupants of Dale farm, a large site in Basildon. The decision could have a knock-on effect as those evicted seek places to live in other parts of Essex, and probably across the east of England. This is likely to be the last opportunity to debate the matter in Parliament before the consultation period ends, so I know that the Minister will listen closely to the views expressed and the representations made today.

I have a constituency interest in the subject. During the past 14 months, I have heard about several cases of significant concern about the planning system for Gypsy and Traveller sites. Those cases have involved the Planning Inspectorate overturning the decisions of local authorities and granting permission for unauthorised sites. Although I appreciate that those incidents were caused by the inadequate planning system that was inherited from the previous Labour Government—a system that epitomised their culture of top-down targets, particularly through the infamous planning circulars 01/06 and 04/07—this is an opportunity to get it right. People throughout the country have put their faith in the Government to rebalance the planning system through the localism agenda, and it is imperative that the Government do not let them down, so they must take prompt and significant action.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend on securing the debate. On her point about the top-down culture, the Medway local authority was faced with a regional body saying that we had to take an extortionate quota of Gypsy and Traveller sites, which was completely wrong. I urge the Minister to take on board the fact that it is absolutely right and proper for residents and local authorities to be able to determine need where it arises, rather than having a quota imposed on them.

Priti Patel: I agree absolutely with my hon. Friend. I will mention some local examples before I move to the substantial points to which I would like to draw the Minister's attention.

The Minister will be aware from a vast amount of correspondence that I have several such sites in my constituency, including Pattiswick. A few weeks ago, the Planning Inspectorate decided to impose a Gypsy site on Pattiswick retrospectively. The site has been an unauthorised development since last autumn, when the occupants arrived—this might sound familiar to colleagues—over a weekend, which is the time when local authorities are least able to respond. The local community in Pattiswick then came together to press Braintree district council to take action. I pay tribute to the local residents of Pattiswick, who worked hard and rallied a lot of resources to start a good campaign. Dozens of letters were sent by members of the community and a petition was started opposing the development. That petition received widespread support, and in the absence of a planning application, Braintree district council began enforcement proceedings against the occupants of the site.

The case went to the High Court. The council had some success in the Court, but the occupants of the site appealed to the Planning Inspectorate against the original enforcement action. A subsequent hearing with the Planning Inspectorate took place in Braintree during the Whitsun recess. I attended it, and I must say that it was quite an eye opener and an education. Although the occupants had shown absolutely no regard for the planning process, the inspectorate gave them planning permission.

Two reasons were given for the decision. First, the inspectorate claimed that permission had to be granted due to a lack of any suitable alternative sites. It then concluded that unless the occupants continued to live on the site, their human rights would be violated. The inspectorate wrote that the

> "dismissal of the appeal would have a disproportionate effect upon the rights of the appellants under Article 8 of the European Convention on Human Rights",

which deals with the right to a private and family life. According to the inspectorate, requiring the appellants to vacate the site

> "would represent a significant interference with their home and family life which...outweighs the limited harm caused by the development in terms of its effect upon the public interest."

However, it is clear to me that any disruption caused to the occupants by requiring them to leave would be no more than the disruption that they caused themselves when they came and occupied the site in the first place. Such a use of the European convention on human rights is clearly misplaced and wrong.

It is wholly unjust to local residents of Pattiswick that although the Planning Inspectorate gave significant weight to what it felt were the human rights of the occupants, it failed—colleagues will not be surprised to hear this—adequately to consider the rights of the local settled community and the disruption that the incident caused them. Although the council did the right thing in supporting the community through an enforcement action, the planning system ultimately failed the community by favouring people who refused to go through the correct planning process to occupy and develop the site, and who then chose deliberately to play the system and cause maximum cost and disruption to the council and community.

Braintree district council contacted me yesterday, because I asked for the figures on how much the incident cost. The council has racked up considerable costs. Including VAT, the fees for counsel for the High Court injunction came to just under £10,000. The cost of getting the injunction was £20,000, and fees relating to

obtaining the breach of stop notice were £14,000. We should not forget that that is hard-pressed taxpayers' money. Not only did the decision run roughshod over local people's views, but the costs involved will deter local councils from taking action when other unauthorised Gypsy and Traveller sites appear.

Philip Davies (Shipley) (Con): I agree fully with everything that my hon. Friend has said, but does she agree that one thing that causes lots of problems is the fact that the system—whether it is the local authority's planning system or the Government's—never seems to be even-handed? If anybody else were to create an illegal development, it would be taken down in five minutes flat, whereas Gypsies appear to get away with anything they like. Does my hon. Friend agree that the system should treat everybody equally in the face of the law?

Priti Patel: Absolutely. I thank my hon. Friend for his comments. What is lacking is fairness, transparency and a level playing field.

Andrew George (St Ives) (LD): The hon. Lady makes a strong case for the unacceptability of unauthorised development, whether that is a shop, a factory, a house or anything else, including an encampment of the type that she is discussing. Planning law clearly needs to be enforced. However, if Gypsies or Travellers had the opportunity to live on authorised sites, there would be no need for such developments. Does she not agree that the Government and local authorities must concentrate their minds on ensuring that we increase the number of authorised sites available for Gypsies and Travellers throughout the country?

Priti Patel: I thank the hon. Gentleman for his remarks. The fact that that there are not enough authorised sites is a significant challenge to local authorities.

Sir Paul Beresford (Mole Valley) (Con): Does not my hon. Friend agree that the point being made about Travellers and Gypsies also applies to settled organisations? In one area of my constituency, it is difficult to find land to build on, let alone to put caravans on. We need a balanced approach.

Priti Patel: I thank my hon. Friend for that contribution. There is no doubt that this is about balance across all our communities. I shall refer to two other cases before I talk about the consultation.

My constituency has had endless cases. In Tolleshunt Knights, a planning application was made for a site for travelling show people in a wholly unsuitable location, but again Maldon district council's decision was overturned by the Planning Inspectorate on the basis of the requirements in the current planning circulars. The council rightly pursued a localist agenda while the Planning Inspectorate remained wedded to the paradigm of centralist command and control. As the Minister will know from the substantive correspondence I sent to the Secretary of State about the case, it was badly handled by the Planning Inspectorate, which clearly showed no regard for the Government's planning policies as laid down in the coalition programme for government. There is a problem with the Planning Inspectorate.

The final case is about Lea lane in Braxted, where a planning application for a Gypsy site is pending and is with the Planning Inspectorate. The development is clearly inappropriate for the area, but there are concerns that the Planning Inspectorate, which has form, will grant permission on the basis of the applicant's arguments about limited site provision and, again, human rights, despite serious question marks over the validity of the application and a series of irregularities that have been pointed out. While it is under consideration, I ask the Minister to do everything in his power to ensure that the Planning Inspectorate fully and comprehensively reviews the representations made by Maldon district council and the local community. It would be shocking and appalling if the Planning Inspectorate continued to progress applications and grant permissions for all the wrong reasons.

Many Members have mentioned a common theme that councils and communities still have their hands tied by previous targets, and it seems that the Planning Inspectorate values the human rights of one group over the rights of the settled community. That has created an unsustainable planning system full of problems, which is a big problem because our communities do not trust the system: they have no faith and confidence in it, so they automatically feel discriminated against; and if they do not have a voice, they do not feel represented. Our communities are left feeling pretty disfranchised and our councils feel powerless to act. There is a challenge for the Government, because they have a strong localism agenda that this problem could undermine.

Those are the reasons why we are here and why the system needs substantial reform. I am strongly in favour of giving local communities greater say and ensuring that their voices are heard. At the last general election, I was pleased to stand on my party's manifesto, which would have addressed many of those fundamental problems through the pledge to give communities greater control over planning, to limit appeals to the Planning Inspectorate and to return decision-making powers on housing and planning to local councils. "Open Source Planning" highlighted that the Conservatives' would take action in government to ensure fairness between the settled and the Traveller communities. We need to start to address the problem.

Andrew George: On fairness and even-handedness for the settled community and the unsettled community, which includes those who live in squats and caravans who are "settled" but cannot find adequate accommodation, does the hon. Lady agree that all reports have shown that the life expectancy of Travellers and Gypsies is significantly lower than that of the settled community and that infant mortality and maternal mortality are much higher? In addition, Travellers are hugely disadvantaged in education, with 75% of children regularly in education compared with—

Mr Mike Weir (in the Chair): Order. Interventions must be brief.

Priti Patel: We have touched on the fundamental problem, which is the real unfairness in the planning system. Ultimately, that has to be resolved.

We can see in the detail of the proposed circular some of the problems that local communities and councils will encounter. It still instructs local authorities to set pitch and plot targets for 15 years and to identify

[Priti Patel]

specific plots for the first five years. As now, those targets could be legally challenged in the courts and appealed at the Planning Inspectorate, with people trying to get planning permission or to fight enforcement action by arguing that the targets set are inadequate. It would also force local authorities to consider favourably applications for temporary planning permission if they cannot demonstrate an up-to-date five-year supply of desirable sites. It states that councils should determine applications from Travellers from anywhere, not only those with local connections, and that provision can be given to Gypsy and Traveller developments on green belt land.

Although the emphasis on locally agreed targets is an improvement on the previous Government's insistence on top-down national and regional targets, I hope that the Minister will look again at the necessity of implementing the draft circular, which will maintain a damaging imbalance in the planning system. That imbalance must be redressed. We need real balance and fairness.

Andrew Percy (Brigg and Goole) (Con): I congratulate my hon. Friend on her speech. Does not that same policy also require local authorities to take into account historical demand? That could lead to communities such as mine, which have historically had a Traveller population, having an influx of people who have no real local links.

Priti Patel: I absolutely concur.

Returning to the circular, I have talked about the damaging imbalances in the planning system. If Ministers want to continue to have a separate planning circular for Gypsy and Traveller sites, I encourage them to consider including measures to support the rights of settled communities. For example, the circular could contain a presumption against retrospective applications and appeals to the Planning Inspectorate. It could also emphasise the importance of decision makers valuing equally the rights and representations of the settled community and of Gypsies and Travellers. Communities such as those in Pattiswick, Tolleshunt Knights or Braxted are not asking for special treatment or favours: all they want is a planning system that fully represents their views, gives them a fair chance and does not disadvantage them because of their residential status.

I want to impress on the Minister the importance of ensuring that councils and communities are adequately resourced and able to set appropriate pitch allocations. I can tell him now that that is a grave concern to the three local authorities that cover my constituency. They simply do not have the resources they need; when they try to deal with the problem, they come up against endless barriers. Any requirements in future policies on local authorities to set targets must enable them to do so with the confidence that they are in control of developments and not at the mercy of the courts or, in particular, the Planning Inspectorate.

Finally, I would like the Government to tackle what I consider to be an alarming culture in the Planning Inspectorate. From the cases I have come across in the past 14 months, it seems that the inspectorate is too willing to cower down in the face of human rights arguments, which are the first port of call in the cases that I have seen. That is not surprising given that the Planning Inspectorate has held workshops for its inspectors to learn from Gypsy and Traveller groups about their planning needs. In the interests of balance, I ask the Minister to encourage the Planning Inspectorate to hold workshops with our constituents, who have all been disproportionately and inappropriately affected by developments, so that the inspectorate gains a better understanding of their needs and rights. There is a greater than ever need for that now, because we will have neighbourhood plans that our constituents will influence.

Mr Aidan Burley (Cannock Chase) (Con): My hon. Friend is making some powerful points about planning law being applied equally to all people. Does she agree that there are also laws about how people live, whether they are settled in a legal camp or not? Gypsies will not earn the respect of the settled community until they agree to be subject to the same tax laws as everybody else, start paying into the national insurance system, give an address by which they can be contacted, abide by the byelaws of an area and start cleaning up after themselves. They will not earn the respect of the settled community until they live and plan like everyone else.

Priti Patel: I thank my hon. Friend for his remarks. I am about to wrap up—

Mr David Ward (Bradford East) (LD): Will the hon. Lady give way?

Priti Patel: No, I am going to make some final points. My hon. Friend the Member for Cannock Chase (Mr Burley) is right: with rights come responsibilities.

I address my final points to the Minister. Will he ensure that Government policies support councils in taking enforcement actions against unauthorised developments and that the planning system is genuinely fair to all parties? Action needs to be taken to end the practice of placing the rights of one group above those of others, and the powers of the Planning Inspectorate to interfere with decisions taken by democratically accountable councils should be limited. Finally, will he guarantee that local communities and councils are in control of future development in their areas and that they have their destinies in their own hands? That is very much at the heart of localism. I thank the Minister for his time today and for listening to me, and I look forward to other contributions from colleagues.

Several hon. Members *rose*—

Mr Mike Weir (in the Chair): Order. A large number of Members wish to speak in the debate. I hope to start the wind-ups at about 3.30 pm, so I plead for the briefest possible contributions. I also remind hon. Members that interventions should be brief.

2.50 pm

Mr Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend the Member for Witham (Priti Patel) on securing the debate and on her excellent speech. My constituents would want to be associated with many of her points. I declare an interest as a serving councillor on Kettering borough council.

I would like to tell hon. Members about a village called Braybrooke in my constituency. There are 22 villages in the parliamentary constituency of Kettering. Braybrooke is situated between the towns of Desborough and Market Harborough, right on the edge of my constituency and on the edge of the county of Northamptonshire. About 325 residents in Braybrooke are on the electoral roll, so it is a small village. However, it is unique in having the only primary school where the pupils are 100% Traveller children, and where the local settled community do not send their children at all. Such a situation exists because of the increase in settlements—pitches—from the Gypsy and Traveller community around the village.

The planning system's failure to deal with the spread of unauthorised development means that the demographics of the village are being changed in an unacceptable way. I lay the blame for that on the circulars issued by the previous Government and the previous Deputy Prime Minister, which my hon. Friend the Member for Witham mentioned. However, the coalition Government have a chance to change that. My constituents in Kettering, the residents of Braybrooke and myself are looking to the Minister to do something about the matter. We have been in government for 15 months and a consultation is under way. We need to get a move on because my constituents' hopes have been raised by initiatives such as the Localism Bill and the consultation. We want the Minister to introduce some appropriate policies to stop these unauthorised developments in the future.

Mr Ward: I would be very surprised if all the children attending the school were living on unauthorised sites. Many schools in Bradford are 100% white or 100% Asian. Is the hon. Gentleman saying that we should not allow those schools to exist?

Mr Hollobone: No. What I am saying is that local primary schools are comprehensive and they should attract children from the local area, regardless of their background. This is not an issue of race; it is an issue of behaviour. When I visited the school recently—it is an excellent school that provides good education—I discovered that one of the big problems was that, especially in the summer term, a lot of the Traveller children do not turn up because they are off travelling. A member of the settled community would be reluctant to send their child to a school with such a disruptive atmosphere. I am trying to approach the subject in a sensitive and thoughtful way without going down the route of saying that this is some kind of racial problem. It is an educational and behavioural problem, which needs to be addressed.

Mr Stewart Jackson (Peterborough) (Con): As usual, my hon. Friend is making a very astute speech. Does he share my concern that the disruption and huge turnover of children in the Traveller community has a massive impact not only on the education of children who are not Traveller children, but on resource allocation for teachers and teaching support staff in those schools? In the long run, that has an impact on standard assessment tests and other results.

Mr Hollobone: My hon. Friend makes an excellent point. He speaks out on behalf of his constituents in Peterborough extremely well. On this issue, I am sure he has the pulse of not only his constituency but the nation. As my hon. Friend the Member for Witham said, Travellers are using the Human Rights Act 1998 in relation to access to local schools and as a way to get permission for their previously unauthorised developments. I am trying to say that we should look at the matter the other way round. What about the rights of the settled community in the village of Braybrooke, who are not sending their children to the local school?

Mike Weatherley (Hove) (Con): After pressure from me and my constituency office, we have managed to persuade Brighton and Hove council to charge some long-term van dwellers at Medina house some rates to pay for the services they use. Does my hon. Friend agree that that is a good way forward and that some councils could consider doing that to make these people integrate more into the community, or at least to get some return for the services they use?

Mr Hollobone: I am most grateful for my hon. Friend's intervention; he makes an extremely powerful point. As our mutual hon. Friend the Member for Cannock Chase (Mr Burley) said earlier, it is all very well for Travellers and others to jump up and down about their rights, but on the other side of the equation is their responsibilities. My hon. Friend the Member for Hove (Mike Weatherley) makes an excellent point. Everyone else pays their taxes in the normal way, so Travellers should also pay their fair due to society.

Andrew George: As indeed they do on the authorised sites, where those charges and, indeed, local taxes are paid in the proper manner. I do not know about the circumstances in the villages in the hon. Gentleman's constituency, but the conundrum that we as Parliament and the Government are facing is that we have to accept—the hon. Gentleman said he is looking at the matter in a sensitive and thoughtful way— that there is a significant unfulfilled need for Traveller sites in this country. The question is, how do we fulfil that need in a way that does not involve Travellers taking their rights and demanding to live on unauthorised developments? We clearly must not allow that to carry on.

Mr Hollobone: I just do not get this point. In the borough of Kettering, lots of people do not have access to the accommodation and housing they need, and thousands of people are on the local authority housing waiting list. It would clearly be wrong to say that, because somebody cannot find the house they need, they can go into the countryside and start building a home of their own. The law would rightly come down on those individuals. Yet members of the Travelling community seem to be able to do exactly that, and they are using the Human Rights Act to get away with it. That is wrong.

My constituents' fears are being heightened by the latest development around the village of Braybrooke: a site called Greenfields, which is a 37 acre plot. According to the map that has been given to me, the site seems to have been divided up into some 60 plots. It was acquired in the 1990s by a property speculator and the plots are being sold off individually, largely to members of the Travelling community. Buildings—dwellings—are already on some of those plots. The worry is that retrospective planning applications are being made in respect of those dwellings. Given the very poor decisions that are

[Mr Hollobone]

being made by the Planning Inspectorate, the applicants are pretty confident that they will be given retrospective permission to remain there.

Mark Garnier (Wyre Forest) (Con): I thank my hon. Friend for giving way. Does he agree that one of the ways to deal with the matter is simply not to allow—

Mr Mike Weir (in the Chair): Order. There is a Division in the House. I suspend the sitting for 15 minutes.

2.59 pm

Sitting suspended for a Division in the House.

3.14 pm

On resuming—

Mr Mike Weir (in the Chair): The debate will now continue until 4.15 pm.

Mark Garnier: I thank my hon. Friend again for giving way.

Mr Hollobone: It has been a long intervention.

Mark Garnier: I think it has been one of the longest interventions in the history of Westminster Hall. My hon. Friend mentioned the planning rules in relation to illegal sites. Does he agree with residents of the village of Churchill in my constituency—an illegal Traveller site has been set up there in the way he has described—that one answer would be to get rid of the rule that allows retrospective planning permission? Planning permission would therefore have to be sought before sites were set up, rather than retrospectively, with all the nonsense about human rights and the rest of it that goes with that.

Mr Hollobone: I thank my hon. Friend for that helpful intervention, and I agree with him. The Government need to be far more proactive in tackling the problem of retrospective planning applications, particularly where it applies to the countryside.

There is another issue, which probably affects Wyre Forest as much as Kettering. Those of us with rural or semi-rural constituencies hear all the time about the protections against development in the green belt, but the open countryside in our constituencies seems to have less protection than the green belt. That is sad and regrettable, and it is enhancing the problem of unauthorised development by Gypsy and Traveller groups.

Before the break, I was talking about the new Greenfields site in Braybrooke, which has 60 plots on 37 acres. If it were developed in full, it would be bigger than the village of Braybrooke, near which it is situated, and the local demographics would be changed even more. The difficulty the local council has lies in enforcing the existing planning regulations.

Let me give Members a brief potted history of the site. The land was first acquired in the 1990s by a business that subdivides fields and then sells small parcels of the land via the internet as what it calls leisure plots, or simply as land investments. Early sales resulted in some plots being fenced off, and physical works were undertaken, which were unrelated to agriculture. Caravans were brought on to some plots and used for residential purposes. Wooden buildings were built, and the land was used for keeping horses.

Enforcement notices against such development were issued and served on two specific plots and on the site as a whole. None of the owners appealed the enforcement notices, and those requiring the removal of caravans and associated development are still in force, placing a continuing liability on the landowners. Since the early 1990s, a series of other enforcement notices and stop notices has been served, but the council's hands are increasingly tied by the guidance on enforcing enforcement notices, which imposes on it the duty to weigh up the likelihood of success, the costs and the proportionality of different courses of action. The end result is that nothing is done.

Simon Kirby (Brighton, Kemptown) (Con): Does my hon. Friend agree that existing enforcement powers in relation to unauthorised encampments such as the recent one at Happy Valley in Woodingdean in my constituency are totally insufficient, and that temporary or permanent sites can be only part of the solution? We need to be clear that councils need more powers to enforce notices on what are clearly unauthorised encampments.

Mr Hollobone: I am grateful for that helpful intervention. We are beginning to get from the debate some specific courses of action that we would like the Minister to take on board. One would be to deal with the issue of retrospective applications; another would be to beef up the enforcement mechanisms. Unless we have an effective enforcement regime, the problem will grow and become even more of a headache.

We have talked a little about whether there should be a requirement for local authorities to plan for authorised Traveller pitches. If the Government make that a requirement, the proposal is for there to be transitional arrangements whereby local authorities will have six months to put in place a five-year land supply for Traveller sites. My local authority, Kettering borough council, says that six months is not enough and it needs at least 12 months to identify suitable places.

Another thing I want to stress is that, even though consultation is under way, I understand that proposals to change planning policy guidance should be treated as emerging legislation as far as local planning authorities are concerned. Yet there seems to be doubt among some Kettering borough council officials about the weight of the advice. I should like the Minister to state clearly that local authorities should heed the direction of emerging planning guidance from the Government when they make decisions on planning applications.

Finally, please can we do something about the planning inspectorate in Bristol? It is not good enough that it has taken some of the decisions it has, especially on Gypsy and Traveller planning applications. Often, the people concerned do not visit the local authority in question. They do not really know about the local area on which they make decisions. If the coalition Government are serious about devolving decision making down to local residents in the communities where they live, we must take those appeal decisions at a more local level, to ensure that the true voice of local opinion is heard loud and clear.

3.21 pm

Sir Paul Beresford (Mole Valley) (Con): I shall try to be quick, and will concentrate mostly—directly or indirectly—on enforcement. The Minister can turn to his page on enforcement, so he will be ready.

One thing that I like about the consultation, which has been mentioned already, is the sentence:

"Many people think that current planning policy treats traveller sites more favourably than it does other housing and that it is easier for one group of people to gain planning permission particularly on Green Belt land."

Hear, hear. In my area, Surrey, 87% of the land is green belt. The situation is difficult for Travellers and Traveller sites, and it is also difficult for the settled community. My constituency has a number of official Gypsy sites. There are few or no problems, and the Gypsies are part of the community. Everything is settled and clear. We have two planning authorities in my constituency, Mole Valley and Guildford. Because we are close to Epsom downs we have trouble, particularly with Gypsies who come in from across a little patch of water, with a distinct accent—not mine; not even similar. They come and squat.

The Travellers tend to use expert legal advice. There are a couple of agencies involving solicitors that are expert in such matters, and they are paid for by Travellers' groups. They enable the Travellers to become the Artful Dodgers of the planning system. One of the techniques, in some of the better areas of my constituency, is to purchase a patch of land where there is no hope of any form of planning permission for residence. Either Travellers or people pretending to be Travellers make those applications, forcing the locals to panic, club together and purchase the land at an outrageous price. If enforcement were sure, and those local people knew that the inevitable refusal of the application would be followed by enforcement that really happened, those scams would fall apart.

The second technique that I want to mention is squatting, something which the Government are, I understand, looking at. Squatting in rural areas is done by Travellers. They do not squat in buildings, but they bring their buildings with them and squat on the land with caravans and so on. In my area, they also squat on the land with their animals—horses. The difficulty is that at the moment when the bailiffs arrive, after a court order has been obtained, at least one mare, if not every one in the paddock, is about to give birth. A human would be put in an ambulance and whisked off to a maternity ward, but if the bailiffs approach a mare that is about to give birth, the rules apparently require the animal to be left there. Whether a birth happens or not is highly speculative—I am quite sure that it does not. However, what happens is that some of the farmers in my constituency—I know of one in particular—cannot use the land, because it is occupied by a couple of dozen horses.

When, finally, enforcement happens, the mess that is generally left behind is unbelievable. Perhaps the way the site is left could be included in consideration of the matter, so the people pushed off by the enforcement order pay for the removal, clean-up and restoration of the site. That would be helpful and might encourage many of those who cover the site with gravel and other things not to do so.

The third technique is to buy the land, generally with cash, from whatever source. That generally happens at the weekend, when the people arrive with caravans, trucks, bulldozers, loads of gravel, piping and so on. By the end of Sunday, they are installed. The electricity and water are tapped in, whether legally or not, and then the nonsense starts—hopeless applications, refusals, appeals and more refusals. To be fair, the Planning Inspectorate in Bristol has been quite good in my area and has backed the local authority, mainly. However, when the enforcement notices are delivered, there is an appeal against the notice. Then, as the Minister is obviously well aware, another, subtly different, application is put in. On and on it continues.

As has been mentioned, the people concerned do not pay council tax or taxes. They use the local system—the schools, health authorities, and so on—and the arguments start. The neighbourhood barneys are horrendous—there are accusations of theft and burglary—but I must be fair; I am sure that in one case, although the people who committed the crime might have been associated with the people on the site, they were not people from the site. Nevertheless, there is, to put it mildly, community disharmony.

I want to outline two cases. The first is in Guildford on the A246. It is a greenfield pasture, which is fenced in. There have been three applications and three refusals, and at least two failed appeals. There are two derelict caravans on the site. As one hon. Member has mentioned, the council are wondering whether it should bother with its enforcement notice, because the cost will be astronomical and it can imagine that, once it gets part of the way there, another application will be made, and it will be back to square one. We need that side of enforcement to be pushed.

Andrew George: The hon. Gentleman makes a good point about planning in general, although not particularly about Gypsy encampments; those who want to abuse the planning system often use the ruse of making retrospective applications, then appealing, and then reapplying, exactly as he has described. It is a weakness of the planning system, which is not necessarily the issue before the Chamber.

Sir Paul Beresford: I noticed the nature and the subject of the debate, and have not strayed, although the hon. Gentleman has.

Anyone trying to sell or improve their property finds a big sign on the A246, which is the main road, saying "Romany Stables". Opportunities to sell property have fallen in number because of that apparent threat. The situation is becoming disgraceful.

The second case involves a Gypsy who does not live in Mole Valley. He lives many miles away and used to—he probably still does—drive a lovely Rolls-Royce. He bought greenfield pasture land in the green belt. He sold it to his wife, who sold it to her cousin, who sold it too, and on it goes. Finally, a small group moved in there in the way in which I have described: gravel, electricity and water were built in over the weekend. There were five caravans, one of which looks like two mobile homes linked together. There was the usual pattern of enforcement notices, appeals and planning applications. The last appeal was quite a clever one. The order was to allow temporary accommodation, while the local authority looked for alternative sites over a period of time.

[Sir Paul Beresford]

My concern is my local authority. I am worried that, having looked—not very well and in a limited area—and weighed up the fact that a sympathy that has no grounds in planning is being generated, the local authority may use a sympathy consideration, not a planning consideration, and allow the application on a greenfield site to go ahead. If someone such as the local farmer had built a house on that site, it would have been bulldozed—even though his children go to the local school and use the local hospital and doctor's service—but that has not happened in this case because, as insinuated by the first sentence I read out, such groups are perceived to have an opportunity and a right that the rest of us do not. I ask the Minister to have a look before my local authority stubs its toes and gives permission, to the fury of many of us.

3.30 pm

Gavin Williamson (South Staffordshire) (Con): I congratulate my hon. Friend the Member for Witham (Priti Patel) on securing the debate and on an excellent speech. I must confess my utter disappointment that we have to have this debate, the third on Gypsy and Traveller sites in this Parliament: the first was in September, next was the one I secured in December and this one now. What adds to the disappointment is that although during the December debate the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), made it clear that the planning circular was to be reviewed and that the consultation would start early in the new year, we had to wait until April, I think, for the consultation document. Having read through it, I cannot help but voice my deep disappointment at the changes suggested.

In my constituency, since December's debate on the planning circular and on Gypsy and Traveller sites, another nine pitches have granted in the village of Calf Heath by the Minister. That happened just last week, against the express wishes and desires of local people who do not want those pitches. Why do they not want them? For the simple reason that, in South Staffordshire, more than 40 pitches have been developed in the years since 2007, many of them granted on appeal. It is not a matter of "not in my back yard". Only the other week, the local planning authority granted planning permission for new Gypsy and Traveller pitches on a site that it believed was appropriate and sensible for such pitches. It is a matter of getting pitches where they are suitable and where there is proven demand—ensuring that they are in the right places. I do not think the Planning Inspectorate gives much consideration to or has much knowledge about where the right places are; nor, I am sorry to say, judging by a decision the Minister made last week, does he seem to have much common sense when looking at this matter or in making the correct decision. Just before this weekend, in the village of Hatherton, we had another invasion on land owned by a Gypsy and Traveller family where hard standings have started to be laid down. Again, it is the taxpayers of South Staffordshire who have to foot the bill to get the enforcement notice to stop the building.

The proposals in the planning circular consultation document are weak-willed and lily-livered and will not deliver on the promises that we made as a party before the general election or in the coalition agreement. I remember quite specifically in the coalition agreement a specific promise to protect the green belt. I must take issue with my hon. Friend the Member for Kettering (Mr Hollobone), who said that the green belt is far more protected than everywhere else; I wish he were correct, but it certainly is not protected when it comes to Gypsy and Traveller policy. More than 60% of applications from Gypsy and Traveller communities on green belt land that go to appeal are granted, compared with 19% of applications from the settled population. Equality for the settled population is not something that the Department for Communities and Local Government understands.

I ask the Minister to deal with protection of green belt land when he winds up the debate. Looking through the consultation document, the only thing that I noticed that seems to be different in the new circular is the removal of the word "usually" from the old circular's reference to "usually inappropriate development" on green belt land. I am not sure whether that is seen as a dynamic policy shift in Eland house, but in South Staffordshire it certainly is not. I am slightly concerned that the change in the policy will have no effect for residents and for my constituents. We need to make it clearer that inappropriate development on the green belt should not be allowed. Of those sites in South Staffordshire given planning permission by the Planning Inspectorate, every one has been said by the inspectorate to be inappropriate development in the green belt, but it still awards permission. The balance is not right. The policy proposal does not go far enough, it is not strong enough and it is not clear enough.

My hon. Friend the Member for Kettering picked up on the important point about the six-month transition period. I think he was voicing the view of Kettering borough council in saying that 12 months is an adequate time; I think that even 12 months is an incredibly tight period, bearing in mind that the provision is for a five-year period. We need to be looking at between 18 months and two years. I hope that the Minister takes those comments on board.

Temporary pitches are a real problem. Increasingly, the Planning Inspectorate awards sites temporary permission. I never thought I would be in the Chamber defending regional spatial strategies but, ironically, we would almost be better off had we maintained them, compared with where we are now with Government fudge. I am shocked to be giving some support to the Opposition spokesman, the hon. Member for Derby North (Chris Williamson), but the simple reality is that temporary pitches are not being taken into account as part of the provision for accommodation needs in a local area. That is wrong. Can the Minister give us details of how many temporary applications have been granted for Gypsy and Traveller sites over the past 15 years? I am sure his officials, who are busy working away behind me, can provide details of how many of those temporary pitch grants have then been rescinded, enabling them to be got rid of. I hazard a guess—I do not know this, but I am sure your officials will be able to give you the information before you get to your feet—

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): The Chair has not got to his feet.

Gavin Williamson: I am sure, Mr Weir, when the Minister gets to his feet, he will say that the figure is between zero and five—closer to zero, I imagine.

The simple fact is that when temporary permission is granted, it might as well be permanent permission, because there is no way of getting the sites closed down and cleared off. In his summing up, I hope that the Minister can explain how the Government will deal with that, so that temporary permissions are indeed temporary. I very much look forward to welcoming the Minister to South Staffordshire, to talk to the many people affected by the decisions of the Department and to give the people of South Staffordshire a clear understanding of what the Government are striving to do to improve the position.

Andrew George: The hon. Gentleman is absolutely right that the primary purpose is to bear down on the problem of unauthorised sites. Presumably, however, he accepts that there is substantial unfulfilled need. How does he propose that the Government go about meeting it?

Gavin Williamson: I am grateful for the hon. Gentleman's intervention, although I am curious about how many Gypsy and Traveller pitches there are in St Ives and the extent to which they are a problem. There are many vacant Gypsy and Traveller sites in my constituency of South Staffordshire. What is happening is that some in the Gypsy and Traveller community are using the loophole in the law for personal gain—they are exploiting it. That is costing my taxpayers in South Staffordshire a vast amount of money to pay for enforcement action. There are surplus sites, but unfortunately the good people at the Planning Inspectorate are not able, or do not seem willing to take that into account. What we have is a community exploiting a bad law—a bad planning circular—for personal gain. That is what makes so many people in South Staffordshire so very angry.

Will the Minister ensure that the consultation results in proper protection for the green belt? Will he also ensure that temporary provision is taken into consideration? If he can offer some guidance on how temporary provisions may be removed, that would be greatly pleasing, as would a date when he will visit South Staffordshire. We look forward to welcoming him to the very few green fields that are left after the previous Government's policy, which remains in place.

3.40 pm

Mark Pawsey (Rugby) (Con): I congratulate my hon. Friend the Member for Witham (Priti Patel) on this timely debate in the light of the current consultation. I want to raise the concerns of villages to the north of my constituency near the urban fringe around Coventry, and to concentrate on the planning issues. Given what we have heard about the planning system, it is entirely right that the Government should set out to change the system. I echo the concerns expressed by my hon. Friends the Members for Kettering (Mr Hollobone) and for South Staffordshire (Gavin Williamson) about the delays in the Government's introduction of changes. We spoke about that during the general election campaign and as soon as we came into government. We have raised expectations in communities, but we are failing to realise them. The broad thrust of the Government's action to deal with such issues is the Localism Bill, which aims to give power back to local communities, and to enable them to shape their areas.

Provisions in the Localism Bill will deal with the existing situation when someone develops land without planning consent. The system is that they are encouraged to apply for retrospective planning consent with a right of appeal against the enforcement notice. The intention in our policy document was that both issues would be dealt with. The purpose of the changes we are introducing is to address the issues of local communities. My communities have raised three reservations, and there are three more that I would like the Minister to respond to.

First, I echo the comments of my hon. Friends the Members for Kettering and for South Staffordshire about the transitional time scale. There is a group in my constituency called BRAID—Barnacle residents against inappropriate development. As at Braybrooke in Kettering, illegal development in Barnacle threatens to overwhelm the village and the host community. I support BRAID's contention that the imposition of a six-month time scale for councils to put in place a five-year deliverable supply of sites for Travellers is simply too short. BRAID argues that many authorities will not have time to carry out an assessment of needs, and will find themselves having to treat such applications favourably—I will return to that expression—before finalising their five-year plan. Whenever there is a time limit, there may be discussion about it, and my hon. Friend the Member for South Staffordshire referred to a year. My community would like a realistic period of two years for local councils to carry out that task.

The second issue is the presumption to "treat favourably". The draft policy document states:

> "Where a local authority does not have a 5 year deliverable supply of gypsy and traveller places (within 6 months of the publication of the new policy), a local planning authority should treat favourably any applications for temporary permission".

Clearly, that provision is intended to encourage local authorities to identify appropriate sites, but communities fear that the phrase, "treat favourably" is likely to reinforce views that there will be special rights for certain communities in planning matters, in a similar way that circular 01/2006 states that "substantial weight" should be given to unmet need when considering temporary permission. There is a real fear that the policy may unintentionally encourage unauthorised developments when a developer knows that they are likely to be "treated favourably" because a council has not yet set out its policy.

A third matter, to which my colleagues have referred, is the behaviour of planning inspectors. Rugby borough council in my constituency has for many years had to consider a variety of applications for new sites, and in 2009 it approved its draft core strategy, which included a requirement that future developments should be limited to a maximum of 15 pitches per main rural settlement or parish area. That decision by locally elected councillors was due to the fact that two areas already have substantial Traveller provision.

When that strategy was submitted to the Secretary of State earlier this year, the planning inspector decided to strike out the requirement for a maximum number of pitches, citing as justification the guidance in circular 01/2006. Local representatives are frustrated that that justification is based on five-year-old guidance, when it

[Mark Pawsey]

is now more than a year since the Government came to power with a pledge to change the system, and that when the consultation is concluded and the law is introduced it may no longer be in existence.

I raised these matters with the Minister, and he confirmed the existence of the circular. Perhaps he will respond to some of the points to which he referred in his letter to me. I recognise that there is a real opportunity now to change the system to achieve a fair balance for both local communities and the Travelling community.

3.46 pm

Andrew Percy (Brigg and Goole) (Con): I have just lost my bet. Thank you for allowing me to speak, Mr Weir.

I shall be as brief as possible, because I know that a colleague wants to speak. My constituency has a long history with the Travelling community, not least because of our historic horse fairs. We have attracted Travellers for many centuries, and some of my ancestors who were horse dealers in the area may have had interactions going back centuries. That does not mean that we do not have problems today. My local council seems to be distinctly unimpressed with some of the Government proposals in the consultation, not least because local communities believe that the planning system has been weighted too much in favour of the Travelling community in recent times. We are not convinced that the consultation will push that back in the other direction.

In particular, my council is worried about the targets, which include, as I said when I intervened on my hon. Friend the Member for Witham (Priti Patel), historic demand. The local authority and local residents do not believe that those targets take adequate account of local knowledge, and we are worried that they will lead to attracting more people with no links to the area simply because of historic demand.

Brigg in particular has had a problem in recent years with illegal encampment. One in West Lindsey in Lincolnshire, which is just outside the local authority area, has managed to acquire planning permission in exactly the way that my hon. Friend the Member for South Staffordshire (Gavin Williamson) highlighted. Planning permission has been granted for green belt land at the end of a country lane through what I believe is an abuse of the planning system.

That does not mean that we in Brigg do not enjoy good community relations between the settled population and the Travelling community. I am always temperate in my language, because I want to ensure that we continue to maintain those good relations, and that our historic link does not boil over. But the risk of continuing the reality that the planning system works in favour of people in the Gypsy and Traveller community must be addressed, and that means that any assessment of Traveller site needs and demands should include the views of the settled community.

I could say a lot more, but my hon. Friends have said a great deal and I am aware that other hon. Friends want to speak. North Lincolnshire council will respond to the consultation, and it seems that it is distinctly unimpressed by what is being offered. I urge the Minister to look at what we promised during the general election. I want to return to both sides of my communities and tell them that this is about fairness on both sides of the debate.

3.49 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I shall be brief. Given that we are talking about a devolved issue, the Minister may be forgiven for wondering why somebody who represents a Welsh constituency is taking part in the debate. However, perhaps I can share some experiences of a policy that is a little more advanced. Pembrokeshire has the highest concentration of Gypsy sites anywhere in Wales. Almost without exception, they are well integrated into the local community, and they provide value and valuable jobs. Gypsies are part of the community and welcomed by it. With the exception of my hon. Friend the Member for Brigg and Goole (Andrew Percy), I have been concerned by the general presumption during the debate that all Gypsies are bad. That is definitely not the case where I come from; we have a long, happy history and relationship with Gypsies.

During the planning process, I hope that the Minister will guard against people contributing to the debate with ongoing prejudice and discriminating against a minority community. Such discrimination leads to all sorts of social difficulties such as kids being bullied at school, people not getting jobs for which they are perfectly qualified, and friends being thrown out of pubs simply because they happen to live on a legitimate Traveller site. I hope the Minister will confirm that such pitfalls will be avoided when the measures for England are set out.

There are, of course, some planning anomalies and difficulties in Wales. There is an ongoing case at Clayford lane near Saundersfoot, and there are some difficulties concerning the definition of a Traveller, what constitutes a Traveller in a legal sense, whether an application for a site has to be in the name of a Traveller, and whether those who may subsequently occupy the site would meet Traveller criteria. That case has resulted in considerable anger on the part of the 60 or more residents in the area. They feel that it is somewhat harder for them to jump through the planning hoops as part of the non-Traveller community than as part of the Traveller community, even though that community includes people who may not even legitimately be part of it. There is no doubt that by making special provision for the Traveller community—albeit for all the right reasons—we have almost by accident created a situation in which we are causing resentment towards a community rather than respect for it, which is the opposite of what we intended. I hope that the Minister will take that into account during the consultation in England.

In short, a balance must be struck between the non-Traveller ratepayer, the legitimate Traveller community that brings—certainly in my constituency—so much value, and the ever-present and often misused and misquoted Human Rights Act that makes up part of the overall mix. Unless we get the balance right, it will not only be bad for the ratepayer, but it will be bad for local authorities that have to deal with the situation. Above all, my main word of caution in the social context is that that will be bad for minority communities which, as we stated in our election manifesto, we seek to respect and welcome where possible.

3.52 pm

Chris Williamson (Derby North) (Lab): It is a pleasure to serve under your chairmanship, Mr Weir, and I congratulate the hon. Member for Witham (Priti Patel) on securing the debate. Debates about the Travelling community often tend to generate more heat than light, but today we have heard some useful contributions. I did not agree with everything that hon. Members said, but we heard some helpful pointers to a way forward. Anxiety about the issue clearly exists in a number of communities—that is stating the obvious—and it is incumbent on Members to represent the views and concerns of their constituents. I would like to make it clear, however, that the Opposition Communities and Local Government Front-Bench team believe that the law should apply equally to all sections of our community. There should be no special favours for any community, whether the Travelling or the settled community.

With all due respect to the hon. Member for Witham, her criticism of the previous Administration was a little unfair. They did not get everything right, and some criticisms are legitimate, but a good deal of work was undertaken under the previous Labour Government and a considerable number of additional sites were created. The introduction of temporary stop notices made a useful contribution to the whole issue of dealing with the Travelling community. The hon. Lady's faith in the Localism Bill could be misplaced because it might not secure the outcomes to which she alluded.

Andrew Percy: The hon. Gentleman reminds me of a point about fairness that I missed out during my contribution but would like to put on record. He talks about fairness, but I can give one example of where the system is not working. We have had an application relating to the village green in Brigg for a considerable period of time. A Traveller family has now moved on to that site and we are unable to progress that application properly because the human rights legislation and planning circulars introduced by the previous Government have prevented us from moving that family on. Where is the balance and fairness to both parts of the community?

Chris Williamson: The hon. Gentleman makes a pertinent point and gives an example from his constituency. The Government clearly need to look at such situations and find a way forward. Such things no doubt cause considerable anger in the hon. Gentleman's community, so he is right to put that on record.

I will return to the point that the hon. Member for Witham made about the Localism Bill because I am not convinced that it will secure the outcomes for which she hopes. The proposition is that there will be no regional targets, and it is expected that each local authority throughout the country will determine what is appropriate for its area. Given today's discussion, there is a recognition among most—if not all—hon. Members that one of the biggest problems relating to Travellers arises due to inadequate numbers of legitimate official sites. If we were able to provide those additional sites, the problems of unauthorised encampments would be somewhat diminished.

If we put the onus to provide Traveller sites on to individual local authorities, they may take the view that there is no need for such a site in their area. We have already had that problem, and I fear that such situations may be exacerbated by the changes brought in by the Localism Bill. Paradoxically, the Bill could lead to an increase in the unauthorised encampments about which the hon. Lady is so concerned.

Priti Patel: Does the hon. Gentleman accept that, under the Localism Bill, giving local residents opportunities and empowering them to make their views heard will be paramount when it comes to taking such decisions? Surely that would end the lack of balance in a system in which the views of local residents are not heard and a disproportionate voice is given to the Travelling community.

Chris Williamson: I am not sure that the Travelling community is given a disproportionate voice. Hon. Members have outlined examples of abuses and cases in which sections of that community may have exploited loopholes in human rights legislation. I repeat that we all want to ensure that there is adequate provision for the Travelling community, and fairness for the settled and Travelling communities, and we will achieve that only through a significant increase in numbers of legitimate sites. My fear and worry is that localism legislation may make that more difficult to achieve.

The hon. Lady also mentioned workshops for Travellers and suggested—rather tongue in cheek, I suspect—that there should be workshops on planning laws for the settled community. That is perhaps a bit unfair. We are talking about a minority community that has real difficulties, and the hon. Member for St Ives (Andrew George) pointed to issues such as mortality rates and educational outcomes. It is appropriate and helpful to work with that community and to outline not only its rights, but its responsibilities under planning legislation. That was a positive step by the Department for Communities and Local Government.

Andrew George: On the subject of Government proposals, what is particularly encouraging is the proposal that they will provide £50,000 to support training for councillors in how the relevant legislation works and how to ensure that the problems that have been raised today can be settled within local communities.

Chris Williamson: I am glad that the hon. Gentleman made that intervention because it was one of the points that I intended to touch on if there was time. There are indeed some helpful proposals in the consultation document, and that one is useful. It is important that councillors are given appropriate training and the wherewithal to deal with what is often a thorny and difficult issue when they are on the front line dealing with these complex problems.

I agreed with the point made by the hon. Member for Kettering (Mr Hollobone) about rights and responsibilities but, again, the antidote would be more authorised sites—I keep returning to that point. He was probably being slightly tongue in cheek when he suggested that there was a comparison between homeless people building unauthorised settlements in the countryside and the way in which Travelling communities establish unauthorised encampments. Clearly, that is a silly point, if I may put it that way to him, because where would a homeless family or a homeless individual be able to get the necessary building materials and the wherewithal to

[Chris Williamson]

construct a house without planning permission in the countryside? That false comparison does not help to take the argument forward.

The hon. Gentleman also commented about dealing with retrospective planning permission. I think that he is suggesting that the Government should consider eliminating the ability for planning authorities to grant retrospective planning approval. Although that might deal with the problem that we are discussing today, if it ever came to pass, it might involve unforeseen, unintended consequences that could be very detrimental to his constituents in the fullness of time.

Gavin Williamson: I am listening intently to what the hon. Gentleman is saying and trying to understand the position of Opposition Front Benchers. Do they support the old circular? Do they support the proposed new circular? Do they think that it should be tougher or stronger? I would be interested to hear his views about that.

Chris Williamson: We are very clear that there is a need for some improvement in the present situation, which does create difficulties. As I pointed out, the previous Administration took significant steps forward. However, we welcome the consultation exercise in which the present Government are engaged and we will fully co-operate with them when that has concluded. I do not want to state firmly that our position is one thing or another at this stage, because we need to wait for the outcome of the consultation. It would be wrong to prejudge what the outcome will be. It might be that helpful improvements could be made, but I do not want to say that we must stick steadfastly with the existing arrangement, or that we should do x, y or z, until we know the outcome of the consultation.

I probably do not have time to deal with all the other points that were made, but I shall touch on a few. The hon. Member for Mole Valley (Sir Paul Beresford) referred to the need for stronger enforcement. Yes, of course there should be enforcement, but until we deal with the root cause of why unauthorised encampments are established in the first place, there will probably always be a need to undertake enforcement, however strong it is. There will always be unlawful encampments unless there is an adequate provision of legitimate, authorised encampments for the Travelling community.

Sir Paul Beresford: I pointed out earlier that the settled community also occasionally tries to do exactly what has been described, and the enforcement goes through quickly and the buildings are knocked down. However, the deviousness with which the planning system is manipulated by the Travelling community in relation to some of the sites in my constituency, where there is a considerable demand from both that community and the settled community, means that it persists beyond what is acceptable.

Chris Williamson: The hon. Gentleman makes a fair point to which the consultation exercise and the Government will need to respond.

I am delighted by the damascene conversion of the hon. Member for South Staffordshire (Gavin Williamson) on the importance of the regional spatial strategies, so I hope that the Government will recognise that.

I concurred with the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart), who made the very helpful comment that not all Travellers are bad. There is sometimes a dangerous tendency for people to misinterpret these debates and to caricature hon. Members as suggesting that everyone in the Travelling community is a rogue and a bad person—clearly that is not the case. I was delighted that the hon. Gentleman made that comment from the other side of the Chamber.

I conclude by reiterating that we await with interest the outcome of the consultation exercise. We will co-operate fully with the Government when the relevant documentation has been published.

4.6 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to see you in the Chair, Mr Weir. I congratulate my hon. Friend the Member for Witham (Priti Patel) on securing the debate and thank all hon. Members who participated. Every one made legitimate and significant points, because these are areas of real concern. I thank the hon. Member for Derby North (Chris Williamson) for the Opposition's offer of co-operation once the consultation has concluded.

It is important to put the issue in context and say that we are in the process of consulting. I therefore hope that my hon. Friends will understand if I am at pains to ensure that the Government do not at this stage prejudge the consultation. We are consulting because we recognise that there is a problem. I appreciate, from the observations of a number of hon. Members today, that there is a sense of frustration, but I hope that they, too, will accept that, inevitably, the process of legislation cannot be gone through overnight. Some of the measures that the Government are taking to tackle this issue require primary legislation, which is currently in the other place. In addition, it is necessary to consult before we make changes to policy by way of guidance or regulation.

The Government think that it is more important to ensure that we get this right than attempt to rush it. In the past, things have gone wrong. We do not want a situation like the one that sadly we saw occur under the previous Government, in which the number of caravans on unauthorised developments increased from 887 in 1997 to 2,395 in 2010. No doubt the policies then were well-intentioned, but they were not thought through. We are determined to think this through, get it right and make it stick.

Gavin Williamson: I commend the Minister's keenness to ensure that everything is run professionally and well in his Department, but I am curious about why the consultation period has been extended. Twelve weeks is the usual consultation period. Why did the Department feel the need to extend that?

Robert Neill: The Department took the view—this is not a unique case—that sometimes it is better to be a little more generous and sensible in consultation than to rush at fences. I am sure that by the time my hon. Friend has been in the House for as long as my hon. Friend the Member for Mole Valley (Sir Paul Beresford), he will understand that, sometimes, taking things at a gentle pace gets a better end result. We want this to work, and the reason why we want it to work was encapsulated in

the speech by my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart). It is essential that we have a system that is both fair and workable in the interests of the settled community and of the Traveller community, because it is right to say that the vast majority of Travellers are law-abiding. The majority of Travellers want to live on authorised sites and have social issues that need to be addressed, so it is as much in their interests as anyone else's that we get something that is fair.

There is a very strong feeling that there is unfairness in the current system, which has caused the Government to take a number of steps to deal with the problem, all of which have been legitimately highlighted by my hon. Friends. Let me make clear what the Government seek to do. I know that time will not permit me to deal with every one of the legitimate points raised by my hon. Friends, but I undertake to write to them setting out some of the specific details for which they have asked.

I start with what the Government are doing, given the background. There is a real problem. There is a genuine sense in the country that the system is not fair and that it works against everyone's interests. What are the Government seeking to do? First, we are committed to abolishing the regional strategies under the Localism Bill, which clearly requires primary legislation. It is frustrating for many that it should be necessary to take decisions in accordance with existing policies until they are revoked, but that is the law. When dealing with planning casework, Ministers have to act in a quasi-judicial fashion, but we are taking steps to abolish the regional strategies and the targets that go with them.

The Localism Bill also contains the primary legislation necessary to provide stronger enforcement powers to tackle unauthorised development. The Bill also contains important proposals to limit the opportunities for the abuse of retrospective planning permission. My hon. Friend the Member for Mole Valley and others have referred to that important point. We are determined to ensure that retrospective permission is available if there has been a genuine mistake but not in cases of cynical manipulation, in which members of any community may be involved—I have come across cynical developers, too. We are taking steps to deal with that.

Simon Kirby *rose—*

Andrew Percy *rose—*

Robert Neill: I shall give way once more, but my hon. Friends will appreciate that I need to make progress in fairness to other Members.

Simon Kirby: Does the Minister recommend that the consultation on legislation to deal with squatting should also cover unauthorised encampments? It seems to me that the two are closely linked.

Robert Neill: I hope that all who feel strongly on planning and on squatting will take part in the consultation. Indeed, I hope that all who have spoken in this debate, as well as getting their contributions on the record, will take the opportunity within the extended period of consultation to write on behalf of themselves and of their constituents. The Government take the matter seriously.

We have taken measures to ensure that supply problems are sensibly addressed. We have secured £60 million to help councils and other registered providers build new Traveller sites. The new homes bonus will apply to new Traveller sites to incentivise local authorities. We are applying the Mobile Homes Act 1983 to authorised Traveller sites to give Travellers who play by the rules a better sense of security. At the same time, we seek to deal with areas of abuse. We also want to deal with the fact that, at present, it is possible both to seek retrospective planning permission and to appeal against an enforcement notice. By manipulating the two processes, it is possible to extend the time for compliance almost indefinitely. The Localism Bill will remove that option and close that loophole. We are also considering strengthening enforcement powers.

The hon. Member for Derby North referred to the temporary stop notices introduced by the previous Government. They were a step in the right direction, but I know that concerns have been expressed about how effective they are in practice. We need to consider how they operate. It is critical that local planning authorities have implemented proper plans to deal with the needs of their areas. We are giving them the ability to assess what that need is. Hon. Members have spoken about the tests that should be applied, which is precisely what the consultation is for. We want to hear people's views on the appropriateness of one test or another, and I hope that Members will feed their views into the consultation.

It is a protection for local authorities to have an up-to-date plan in relation to all planning matters, including the provision of Gypsy and Traveller sites. Our approach, which involves an assessment of need and of supply over a reasonable period of years, will treat Gypsy and Traveller needs in a way that is much more closely aligned to that for housing generally. That greater symmetry of approach is part of our attempt to secure greater fairness for both sides. A number of steps have already been taken.

I appreciate the useful points that have been made by hon. Members, and I shall write in detail on the constituency points that they raised. I also encourage them to participate in the consultation. Once the consultation is closed, the Government will want carefully to consider the points that have been raised on this significant matter. It is therefore our intention to put in place a replacement circular, if we conclude that that is the best way forward, although one option proposed in the consultation is not to replace it. Once we have come to a conclusion, we intend to move swiftly.

Missing Persons (Cyprus)

4.15 pm

Mike Freer (Finchley and Golders Green) (Con): This is the first time that I have spoken under your chairmanship, Mr Weir, and I look forward to this afternoon's debate.

I start by saying what the debate is not about. It is not about the politics of the continued division of Cyprus, nor is it about the rights and wrongs of Turkish troops continuing to occupy part of a European Union member state. It is about the humanitarian issue of families seeking closure on the fate of missing relatives.

It is 37 years, almost to the day, since Turkey invaded Cyprus. Cypriots, both Turkish and Greek, were involved in the fighting. Many were captured and never seen again. Even today, about 1,500 people are still unaccounted for. Young army conscripts of the Cypriot national guard, reservists and civilians, including women and children, are among their number.

Families have a right to know what happened, whether their relatives are dead and, if so, where their graves are to be found. If those people are dead, why cannot the location of their remains be disclosed and their remains returned? What about those imprisoned in Turkey? Could they still be alive after 37 years and still be in prison? If those who were imprisoned in Turkey are dead, where are they buried?

What about the missing children, such as Christaki Georghiou, the brother of Mrs Hatjoullis, a constituent of mine? He was last seen alive at the age of five in 1974 being taken away by a doctor at a hospital controlled by the Turkish army, but the press recently reported that he is still alive. Do the families not have a right to know? How many other children might have been placed with Turkish families and still be alive in mainland Turkey?

The tragedy of missing persons is a humanitarian problem with implications for human rights and international humanitarian law. The Cypriot Government comply with efforts to identify the missing on both sides, and it is time that Turkey followed suit. The organisations involved in locating and identifying the missing should have full access to the archives of all organisations, both civilian and military. To date, Turkey has refused to allow the International Commission on Missing Persons access to military bases. That is despite the commission operating under careful supervision under the auspices of the United Nations.

The right of family members to know the fate of their missing relatives, including their whereabouts and the circumstances and causes of their disappearance, is a humanitarian matter. The obligation to carry out an effective investigation into the circumstances surrounding a disappearance is required by international human rights law and international humanitarian law. When focusing on the humanitarian dimension of missing persons in armed conflicts, it is necessary to bear in mind that cases of missing persons can sometimes constitute criminal offences, including war crimes or crimes against humanity. Perhaps that is why Turkey is dragging its feet.

States should ensure the effective investigation and prosecution of all human rights violations linked to missing persons. Turkey continues to flout international law. I know that Turkey claims that the Republic of Cyprus is not co-operating, but I do not believe that to be true. Turkey has repeatedly been found in breach of articles 2, 3 and 5 of the European convention on human rights.

In the case of Cyprus *v.* Turkey 10 May 2001, the European Court of Human Rights examined Turkey's obligation to protect the right to life under article 2 of the convention, reading it in conjunction with the state's general duty under article 1 to

"secure to everyone within its jurisdiction the rights and freedoms defined in the conventions."

The court confirmed that

"this requires by implication that there should be some form of effective official investigation when individuals have been killed as a result of the use of force by agents of the State".

Jim Sheridan (Paisley and Renfrewshire North) (Lab): I congratulate the hon. Gentleman on securing this extremely important debate. Will he confirm beyond any shadow of doubt that the campaign for missing persons covers both Turkish and Greek Cypriots and that it is not one or the other?

Mike Freer: The hon. Gentleman makes a good point. The Committee on Missing Persons, which the EU generously funds—that is why its effectiveness should be a matter of grave concern for our Foreign Office—investigates the cases of both Turkish and Greek Cypriots who are missing. It makes no distinction between the two, and it is important to put that on record.

Nick de Bois (Enfield North) (Con): I congratulate my hon. Friend on securing this debate. This issue affects families right across the island. Does he not think that with the right level of commitment and a speedy resolution, massive confidence-building measures could be delivered for the future?

Mike Freer: My hon. Friend makes a good point. This is not specifically about the politics of the negotiations over the reunification of Cyprus. Both sides in that negotiation are looking to build confidence. There could be no better confidence-building measure than the return of the remains of the 1,500 missing people or information on what happened to them.

Sir Alan Meale (Mansfield) (Lab): I congratulate the hon. Gentleman on acquiring this debate. He has shown by his knowledge of the Cypriot problem and by his advocacy on this matter, which is heard in the House time and time again, how good a representative he is for the area. I have known about the case of the Georgiou boy for many years. As the hon. Gentleman has said, he is just one of many people who are missing, more than 500 of whom are the relatives of British citizens. Will he comment on how difficult it seems to be for the President of Cyprus to obtain regular meetings in the UK with the British Government? For the life of me, I cannot understand why that should be so difficult, particularly because we are a guarantor power and have bases there and because more than 70,000 British citizens live on the island.

Mike Freer: The hon. Gentleman has made an extremely strong point. It is disappointing that the Foreign Office, in seeking to be even-handed, has forgotten that on this particular issue we cannot be even-handed. We wish to see equal treatment, but we have a duty to British

citizens and the descendants of British citizens lost in the conflict. Indeed, the issue also affects hon. Members. My hon. Friend the Member for Dudley South (Chris Kelly), who has apologised for not being able to attend today's debate, wanted to speak, because his mother lost four cousins in the conflict. I urge the Minister to take the cross-party views very seriously and try to apply further pressure to resolve this matter.

4.23 pm

Sitting suspended for a Division in the House.

4.37 pm

On resuming—

Mike Freer: I was talking about the decision in the European Court of Human Rights case of Cyprus against Turkey of 10 May 2001. In fact, the Court's judgment stated:

"The Court cannot but note that the authorities of the respondent State"—

that is, Turkey—

"have never undertaken any investigation into the claims made by the relatives of the missing persons that the latter had disappeared after being detained in circumstances in which there was real cause to fear for their welfare."

Sir Alan Meale: Bearing that in mind and the fact that Cyprus has the presidency of the Council of Ministers, would it not be appropriate to ask the Minister if he would ask—in his good time—for this issue to be pushed back on to the agenda of the Council of Ministers, to give it more force than it has had in recent times?

Mike Freer: The hon. Gentleman makes a good point. I am sure the Minister heard his intervention and will seek to address that point in his remarks.

I want to return to the role—or lack of—of the Turkish forces. The ECHR judgment continued:

"No attempt was made to identify the names of the persons who were reportedly released from Turkish custody into the hands of Turkish-Cypriot paramilitaries or to inquire into the whereabouts of the places where the bodies were disposed of. It does not appear either that any official inquiry was made into the claim that Greek-Cypriot prisoners were transferred to Turkey."

Ian Lavery (Wansbeck) (Lab): Like others, I congratulate the hon. Gentleman on securing such an important and emotive debate. He mentioned Cypriot prisoners in Turkish prisons. Has he any idea what percentage of the 1,500 could still be in prison in Turkey?

Mike Freer: The hon. Gentleman makes a good point about the numbers. There is no definitive answer, because the Turkish will not release that information. It is estimated that between 500 and 800 people were imprisoned in Turkey. The whereabouts and fate of those people remain unknown.

We talked about the Court's determination of article 1. The Court also concluded that there had been a

"continuing violation of article 2, on account of the failure of the authorities of the respondent state to conduct an effective investigation aimed at clarifying the whereabouts and fate of Greek-Cypriot missing persons who disappeared in life-threatening circumstances."

I appreciate that hon. Members may think that the use of words in some of these articles—2 and 3; and 5, which I will talk about—constitutes shades of grey. However, it is important in establishing a pattern of behaviour that unfortunately, Turkey is repeatedly failing to comply with those various articles.

In dealing with article 2, the Court stressed at the outset that

"the unacknowledged detention of an individual is a complete negation of the guarantees of liberty and security of the person, that is contained in article 5 of the convention and [is] a most grave violation of that article. Having assumed control over a given individual, it is incumbent on the authorities to account for his or her whereabouts. It is for this reason that article 5 must be seen as requiring the authorities to take effective measures to safeguard against the risk of disappearance and to conduct a prompt and effective investigation into any arguable claim that a person has been taken into custody and not seen since."

The Court referred to the irrefutable evidence that Greek Cypriots were held by Turkish or Turkish Cypriot forces without keeping appropriate records. From any humanitarian point of view, that failing cannot be excused. Confusion during a conflict is not an excuse. Fighting during a conflict is not an excuse. The absence of information and the deafening silence from Turkey have made it impossible to allay the concerns of the relatives of the missing persons about their fate. There has been no official reaction to new evidence that Greek Cypriot missing persons were taken into Turkish custody. The Court concluded that there has been a continuing violation of article 5, because Turkey has continued to fail to respond or to conduct an effective investigation.

The lack of an investigation by Turkey into the fate of those who went missing has condemned relatives to live in a prolonged state of acute anxiety. Time has not lessened that anxiety, as anyone who has met the relatives can testify. I have many times been to the green line in Cyprus and met relatives, and I can testify to the daily heartbreak that the mothers, fathers, brothers and sisters still endure. No one who has visited and walked up to the buffer zone and met the families, with the pictures around their necks, can fail to be moved by the anxiety and stress the relatives continue to endure. The memories remain vivid in the minds of the relatives, and they endure the agony of not knowing whether family members were killed in the conflict or are still in detention, or, if detained, have since died. The families just want to know what has happened; they want to be able to grieve and to lay their relatives to rest.

The provision of such information is the responsibility of the authorities of the respondent state, and that is Turkey. It has been found to be consistently unco-operative. The silence of Turkish authorities has been classified as inhuman treatment within the meaning of article 3. The Court of Human Rights found no indication that the Committee on Missing Persons is going beyond its limited terms of reference. That committee works under very careful supervision.

It is important to stress that the search for information by the relatives of Greek Cypriot missing persons is not partisan. In fact, the Secretary-General of the United Nations said:

"Determining the fate of missing persons occupies an increasingly prominent role in peace-making...and post conflict peace-building. Handled properly, it can build trust and promote reconciliation...The Committee on Missing Persons in Cyprus has been a model of successful co-operation between the Greek-Cypriot and the Turkish-Cypriot communities."

This humanitarian issue must be resolved and, although the resolution should not be mired in the political solution, there is inevitably some linkage. If we are to see a re-united Cyprus, both Turkish Cypriots and Greek Cypriots have to have trust and faith in each

[Mike Freer]

other. If Turkey is to take its place in the EU, it must be seen to be open, transparent and democratic. A transparent return and identification of the missing would be a welcome confidence-building measure. The UK and the EU have significant influence. We contribute handsomely to the work of the Committee on Missing Persons, but Cypriots are EU citizens, and as such, member states have a duty to intervene. We intervene and apply pressure throughout the world; we must do more on our own European doorstep.

Mr Weir, thank you for giving me the opportunity to raise the concerns of many of my constituents. My constituency has a very large Greek Cypriot community, and it has been my privilege to raise its concerns today.

4.46 pm

Mr David Burrowes (Enfield, Southgate) (Con): Along with colleagues, I congratulate my hon. Friend the Member for Finchley and Golders Green (Mike Freer) on securing what I believe is the first specific debate on missing persons. I welcome that important focus. I am sure the Minister has noted the cross-party involvement in the issue, which is of fundamental importance to all Cypriots, British citizens, parliamentarians and all concerned about basic human rights.

I speak as the chair of the British-Cyprus all-party parliamentary group, which will continue to scrutinise the role of the Government in ensuring progress on the issue. Yesterday, the Organisation of Relatives of Missing Cypriots conducted a lobby outside Parliament. It is a lobby with a difference: it is campaigning not on a one-off issue, but on a matter that has been of concern for 37 years or more. These relatives come year in, year out. They remind us that this issue, which we talk about in terms of human rights, is based in humanity. They hang around their necks pictures of loved ones, some of whom we have heard about today. It is important to realise that we are talking about individuals and loved ones who have been lost for many years.

The attention of Cypriots is rightly focused today on those who were lost in the tragic incident at the naval base in Cyprus, when 12 lives were lost and 62 people injured. We take this opportunity to express our condolences and heartfelt concern. The loss of those loved ones this week is just the same as that of those lost all those years ago. It is still as acute for those who lobbied yesterday outside Parliament. We do not want them to be here next year; we do not want them to say that they still do not know where their loved ones are. We want to ensure we have made progress by this time next year, and that they are no longer in agony.

We would all endorse the robust case made by my hon. Friend the Member for Finchley and Golders Green. Those relatives, who are citizens of this country, feel they are ignored. They feel that these basic issues are not taken as seriously as they should be. They do not want to be tolerated with a "see you next year". They want to ensure that we and the Government are doing what we can in a number of ways. The contribution through the European Union to the CMP is welcome, as is the important bi-communal work that will now make more rapid progress and receive more funding.

As can be heard from across the community, the basic issue is that the CMP is not being given access and information. The state that must be held to account is Turkey. Turkish military bases know the whereabouts of missing individuals. We implore the Government to do all they can in their negotiations and contact with the Turkish Government to ensure proper access and the basic answers that the relatives wish to have. That can be ensured in various ways. This country holds the presidency of the Council of Ministers. That is an important opportunity to hold a debate on missing persons. I invite the Government to consider how it can be done.

It is plain that this basic issue of human rights must be dealt with before progress can be made on European accession. The questions of information and access must be answered. It is also an international obligation. The Minister is responsible for international human rights issues; no doubt he is concerned about such flagrant breaches of human rights, which remain unanswered since May 2001. They must be answered. This is happening on European soil. We would not tolerate a divided island with troops from Turkey on it, and we must not tolerate this, nor park the issue while awaiting the outcome of the negotiations. It is an issue of not only European rights but basic human rights.

The relatives of missing Cypriots were campaigning outside yesterday. We do not want to go back to them next year and say that progress has not been made. Yes, it is the province of Turkey, but our Government must also do all they can to ensure basic justice, truth and reconciliation for the relatives of missing Cypriots.

4.51 pm

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): It is a pleasure to serve under your chairmanship, Mr Weir. I thank and commend the hon. Member for Finchley and Golders Green (Mike Freer) for initiating this important debate and giving Members from all parties, as has rightly been said, the opportunity to contribute. I also pay tribute to the hon. Member for Enfield, Southgate (Mr Burrowes) for his contribution. Before I start, I ought to mention the terrible explosion of which he rightly reminded us, which happened in the early hours of Monday morning in Cyprus. We now know that it has led to the loss of 12 lives and to numerous injuries, as well as having a major impact on Cyprus's infrastructure. The sovereign base areas have offered their assistance to the Government in the form of firefighters, ambulances, helicopters and any other help that might be required. Explosives experts from the bases have visited the site of the explosion, and a large number of SBA personnel have donated blood to the local hospital. I am sure that everybody wishes to send the House's sympathies to all those involved and to their families.

The issue of the missing people of Cyprus is another tragic subject, and one that continues to affect Cypriots from both communities. Many families still do not know the fate of their loved ones, nor have they been able to bury them. We understand that it is an important and sensitive issue for all Cypriots and recognise that it needs to be resolved. Therefore, the work of the Committee on Missing Persons in Cyprus is of great significance. Since its establishment in April 1981, it has been one of the only institutionalised, bi-communal committees in

Cyprus. The work of the 64 Greek and Turkish Cypriot scientists involved in excavations and anthropological analysis is a shining example of co-operation between the two communities on the island. The committee is all the more remarkable, given the sensitivity of the work that it carries out. Its mandate remains to investigate cases of persons reported missing in inter-communal fighting and the events of July 1974 and afterwards. Once remains have been identified, they are handed over to the family, in an emotional moment that requires and receives sensitive and respectful handling.

The committee does not attempt to establish the cause of death or attribute responsibility for the death of missing persons. I appreciate that that limitation has been criticised, but the committee relies on information to carry out its work, and much of that information is provided by members of the public who might not come forward if there were a threat of a criminal investigation. There are legitimate differences of opinion on the matter, but current practices might be the most likely to reach the desirable objective of bringing the situation to a resolution.

The UK fully supports and welcomes the excellent work of the Committee on Missing Persons. Although the UK has no control over its work, I hope the committee will conclude its work only after the cases of all the missing on both sides have been investigated fully. To achieve that, the CMP must be granted access to all areas where it needs to excavate. I urge all those in control of such areas, including the Turkish military, to co-operate fully with the committee and allow it to complete its vital work. Similarly, I encourage anyone with information that might be of use to pass it on to the committee.

My right hon. Friend the Minister for Europe visited the committee's laboratory during his recent trip to Cyprus and was impressed by the progress being made. He met the Greek Cypriot and Turkish Cypriot employees and members of the committee, and it was clear that they work together with confidence. He also discussed the committee's work with the Elders earlier this year just after their visit to Cyprus in February. To date, there have been 797 exhumations, and 286 remains have been identified. Of those 286, 226 were Greek Cypriots and 60 Turkish Cypriots. However, there is still much work to be done before all the families affected finally have a chance to close, in some manner, this tragic chapter in their lives and that of their island.

Jim Sheridan: In the few moments left, will the Minister tell us whether he will make direct representations to the Turkish authorities on behalf of the missing persons?

Mr Browne: I have heard the point the hon. Gentleman has made, and I will undertake to see what representations we can make to further the objectives I have just outlined. It is the position of the Foreign and Commonwealth Office and the Government as a whole that we wish to bring the process to a conclusion that will be satisfactory to the families involved.

Sir Alan Meale: Perhaps I can help the Minister slightly. He said a few moments ago that he would call on the Turkish authorities in the north of Cyprus and on the Turkish military to give access to all sites that might contain the remains of people who were killed. Perhaps one way is for the Foreign Office to approach the Turkish Government regarding allowing the CMP to access sites on the Turkish mainland, rather than on the island. That might be a way to express our view that the matter should be cleared up.

Mr Browne: I am grateful for the intervention. I underline again the point that the British Government wish this unhappy period of history to be resolved to the satisfaction of the families involved. In our view, barriers to that resolution ought to be removed. Where there are obstacles to exhumations and proper investigations, we wish to see progress made.

As a sign of our support, the UK has made four donations to the committee in the last seven years, totalling more than £100,000. The United Kingdom also donates to the committee's annual budget through the European Union and recognises that contribution as both important and necessary. The UK will continue to support the work of the committee. It is an excellent example of bi-communal co-operation on the island, as Greek Cypriots and Turkish Cypriots work side by side in the laboratory and on the sites being excavated.

I express again my gratitude to everybody who has contributed to this debate and make an open offer. If Members wish to raise concerns about the issue, the Minister for Europe, who leads on the subject in the Foreign Office, will be more than happy to receive those representations as the British Government try to play our part in bringing the matter to a satisfactory conclusion.

Worklessness (Wales)

5 pm

Hywel Williams (Arfon) (PC): I am pleased to have secured a debate on a pressing issue at an opportune time. Unemployment in Wales, particularly unemployment among young people, is worrying. The valleys, for example, have the highest benefit claimant count not only in Wales, but in the United Kingdom. The report, "Tackling Worklessness in Wales", by Sheffield Hallam university, is therefore timely, and I commend it to hon. Members. It is makes for interesting reading, and it is condensed in both the introduction and the conclusion for easy reading—for some hon. Members.

Unemployment is only one side of the coin, as the titles of the debate and of the report indicate. Unemployment is in some ways merely a consequence of the lack of a job. That sounds self-evident, of course, but I sometimes get the feeling that some commentators—not all, by any means, on the Government side—see unemployment only as an aspect of a personal failing. Reading the tabloid press, it is sometimes portrayed as an aspect of personal wickedness, but obviously people cannot work if the jobs are not there or if their personal circumstances make it difficult or impossible for them to set up on their own. I left a secure job at a university to set up on my own six years before I was elected as an MP and fell in with a bad lot here. Six years of self-employment taught me a great deal.

There are two themes to my contribution: first, I will discuss the dire unemployment and economic activity figures; and, secondly and significantly, I will examine the need to take robust steps to create work. Sheffield Hallam university estimates that we need 170,000 extra people in work in Wales to bring us up to the standard of the best parts of the UK. That is a huge challenge. I immediately accept that the previous Government took great steps to increase the number of people in work. I know that this Government have that aim, but it is a huge number to reach.

Jessica Morden (Newport East) (Lab): In the Select Committee on Welsh Affairs, which just met upstairs, the Secretary of State for Wales could not answer the question posed by the Sheffield Hallam report of where the private sector jobs will come from for the thousands of people coming off incapacity benefit due to the Government's welfare changes. Does the hon. Gentleman agree that the Government should slow down and look at the dire consequences of what they are doing?

Hywel Williams: I agree with the hon. Lady. The changes in welfare are being brought forward too quickly, but I am also concerned that the work on the other side of the coin—creating jobs for people who will hopefully be leaving the benefits system or unfortunately be moving to lower levels of benefit—is not being prosecuted sufficiently.

Figures were released in the report today, and the situation in Wales is particularly worrying. I hope that referring to only some of them will mean that I am not tediously repetitive, but they make for interesting reading. The total number of jobseeker's allowance claimants in my constituency is 1,245, and there were 364 jobs available at the jobcentre in the month in which the figures were collected, which is 3.42 claimants per job. If one adds in everyone who is on Department for Work and Pensions benefits, the total figure goes up to 5,590. I share the Government's ambition of moving people who have been long-term sick or disabled back towards work. I agree entirely with that, because work is good for everyone, but it is a huge challenge just in my constituency.

In the most dire example in Wales—Rhondda—there are 2,315 claimants, which is 28.23 claimants per job, so there are 28 or 29 people chasing every job. I accept that some jobs are not advertised, but are available elsewhere. *[Interruption.]* The hon. Member for Aberconwy (Guto Bebb) is smiling. Hopefully, I have drawn one of his teeth. I accept that statistics can be misleading, but there are 12,540 DWP benefit recipients, which means 152.93 claimants per job. The challenge is enormous. Incidentally, if, Mr Weir, you were sad enough to have looked at the debate on my ten-minute rule Bill about three weeks ago, you would have seen that the hon. Member for Rhondda (Chris Bryant) claimed that the figure is 84 per job. Presumably, he knows his constituency better than I do, and possibly the official statistician, but he says 84 and I say 152.93. The challenge is enormous.

I am afraid that the situation is the same throughout the valleys. For example, Cynon Valley has 122 DWP benefit recipients per job. Interestingly, when one looks at the other side of the coin—where the jobs are—Alyn and Deeside has more than 1,000 jobs posted, so the figure there is 1.55 claimants per job, which is almost a job for everyone who is claiming JSA. That is a good situation to be in, but it stands out in Wales as the exception rather than the rule.

Guto Bebb (Aberconwy) (Con): I congratulate the hon. Gentleman on securing the debate. Does he agree that the situation in Deeside, for example, is indicative of the fact that the manufacturing base there is extremely strong? The Government will emphasise developing the manufacturing sector rather than depending on state-created jobs, as the previous Administration did.

Hywel Williams: I agree with the first part of the hon. Gentleman's intervention. I have long been a supporter of manufacturing, although it is not a prominent sector in large parts of rural Wales. The situation in Alyn and Deeside is helped by the fact that it is immediately adjacent to the Cheshire plain, where there are many jobs, and the huge investment in Airbus. There are lots of reasons, but it is a situation to which some people in the valleys might aspire. Alyn and Deeside has had a lot of Government help to reach that position.

The final column of figures is striking. It shows that there are nearly 72,000 JSA claimants, which is nearly 4.5 claimants per job, and more than 350,000 people on DWP benefits, which is nearly 22 claimants per job. The figures are breathtakingly difficult to cope with for any Government, either here or in Cardiff. The total Jobcentre Plus jobs available in June was a little over 16,000. We are talking about an enormous problem, and I do not envy the Minister or the Welsh Assembly Government, who are of a different political stripe but who have the same sort of aim, their jobs.

Some groups are hit particularly hard, and there is an issue of gender. There are now more women claiming JSA than at any point since the previous Conservative

Government were in power in 1996. Across the UK, the number of women claiming JSA rose by 9,300 last month to a 15-year high of 493,000. That shows that there is an issue for women. The figures are expected to worsen, because the coming cuts are to the public sector, where there is a preponderance female employment, so women will be hit harder again. About two thirds of people employed in the public sector in the UK are women, so there is a differential effect.

The cuts come at the same time as a report from the Chartered Institute of Personnel and Development notes that unemployment will remain high across the UK until 2015. The report was produced by crystal-ball gazers, so one has to take the figures with a pinch of salt, but that is their prediction. A real fact, which I think the hon. Member for Aberconwy has referred to, is that we know that 77,000 Welsh people have been claiming out-of-work benefits for 10 years or more. That is a startling and unhappy fact.

The Government's welfare reforms are predicated on the assumption that jobs will be there for those who move off higher benefits. Welfare reform was originally partly introduced to encourage more people into work during a period of high unemployment, but it is now one of the more controversial aspects of the Government's policies. The figures show clearly that the jobs are not available. I will not stray too far down this road but, in passing, there is a real danger that the net effect of job cuts, welfare reform and so on will be to force many people not into work but on to lower benefits.

Of course, the Government hope that the private sector will grow and take up the slack, but unfortunately growth is weak in the Welsh economy. In Wales, the private sector is weak and previous jobs growth in Wales was mainly in the public sector. I do not know whether there is a causal relationship and whether growth in the public sector leads to a weak private sector or the other way around—the private sector is weak and so public sector jobs take up the slack. We are talking about a complicated relationship.

We all agree that we must aim for jobs growth in the private sector. I do not blame the private sector in Wales, because we have to accept that the economy in Wales has been dealt successive blows for many years with the closure of heavy industry and the legacy of long-term illness and disability. As someone who belongs to a party that was in government until recently, I say that we must accept that economic policy in Wales, as conducted by Governments of every party, has not been as successful as we all hoped that it would be.

I hardly need to say therefore that I am in favour of developing the private sector. However, the private sector in Wales is intertwined closely with the public sector, and cuts in the public sector might endanger or even hamper growth in the private sector. The picture is complicated. The Sheffield Hallam university report states:

"The loss of public sector jobs will exacerbate the situation."

We are looking at a complicated picture. Employment in the public sector is important but, of course, those sorts of jobs are going in the cuts. There might be a double blow to the Welsh economy of fewer public sector jobs and less business for the Welsh private sector.

I have long believed that we need to have better integration between job finding, job placements provided through Jobcentre Plus and the Work programme, and those Welsh Assembly Government Departments that can have a profound effect on people's ability to take up jobs. I refer hon. Members to my ten-minute rule Bill, which I introduced a few weeks ago but did not get a Second Reading. I do not want to repeat the arguments that I made then, except to say that the Welsh Assembly Government have responsibility for services such as education and training, further and higher education, skills development, health and social services and child care—I could go on—and that a certain synergy could be achieved by better co-ordination with Jobcentre Plus and the Work programme. I have no doubt that those services could be better combined and co-ordinated to enhance jobseekers' hopes of finding work.

The crux of my argument today is that we need not only to equip and motivate jobseekers better, but to introduce a variety of other policies that will provide jobs. We need a concerted effort at job creation and to provide long-term jobs rather than stop-gap placements that disappear after the target has been reached. That has been a feature of job creation in Wales over the past few years.

Guto Bebb: I could not agree more on the issue of creating long-term jobs. One of the sad facts of the situation in Wales is, in the 1990s, we were consistently at the top—or very close to the top—of the United Kingdom regional league table in terms of creating self-employment. In the past five years, we have consistently been in the bottom part of that league table and have, in fact, been in last position. The fact that the Government are introducing the enterprise allowance scheme again is a positive development, because a significant number of businesses in north-west Wales that were founded under the old enterprise allowance scheme still survive.

Hywel Williams: The hon. Gentleman makes a good and pertinent point. As I said, I am very much in favour of encouraging self-employers, and there are steps that we can take to do so. My entry into self-employment could not have been more disastrous. I left university and tried to claim a bit of benefit, as someone who supposedly knew something about the system, only to find that when I was down in Cardiff job hunting, I should have been at home signing on. I was therefore denied a bit of money that I might have claimed because I was not idle at home; I was out searching for that illusive job.

Other measures for which we in Plaid have argued in the past include a temporary cut in VAT to kick-start the economy. Of course, we recently had a vote on that. The Government parties voted against the proposals and I am afraid to say that the Labour party abstained. Some hon. Members will know that, since 2008, we have campaigned alongside the Federation of Master Builders and others for a specific cut in VAT on repair and renovation. Following last year's ECOFIN decision, VAT on repair and renovation could go down to 5%. Other countries have followed that path by reducing VAT on labour-intensive industries, and they have had effective results. Many pre-1919 houses are in a particularly dire state and need fixing. That is peculiar to some parts of Wales, particularly the valleys. The work is available and there are, of course, the workers. What we need is a more favourable tax regime to encourage those workers to do the work. The Federation of Master Builders estimates that we could create about 100,000 jobs.

Guto Bebb *rose—*

Hywel Williams: I will give way once more, but I am anxious to hear what the Minister has to say.

Guto Bebb: I am extremely grateful to the hon. Gentleman. May I concur with the comments that have been made? As a Member for an area that is very dependent on tourism, I have also heard the argument for a reduction in VAT for the tourism sector. Any Government who want to create enterprise and employment should look carefully at using the tax system to do that although, obviously, that has to be put in place once we have the public finances in order.

Hywel Williams: That is a moot point. I do not have the figures at my fingertips, but when VAT on construction services was reduced in Italy, a large number of people who were working cash in hand realised that becoming legal and paying a lower rate of VAT was worth while. Allegedly, the tax take went up, so given the Government's current situation, it might be useful to consider that. I have not seen the operation of the famous Laffer curve being proven in such a way before but, allegedly, that was the case in Italy at least.

The 100,000 jobs that it is estimated that such an approach could create would be local, but there is also a strong equality case in favour of the policy. I put this question rhetorically rather than to the Minister: why should a young couple pay more for renovating their terraced house when a banker who retired early with a big pension pot does not pay VAT on his newly built ranch-style property in the south-east? I had to get that one in. There is an equality issue, and lots of young people are trying to renovate their houses, so the proposal would be a great help to them.

Lastly, as I realise that time is moving on, we also need to boost self-employment. I agree with the FSB, which estimates that the self-employed contribute £21 billion to the UK economy every year. It argues persuasively that self-employment is a key driver to achieving economic growth. That is particularly the case in Wales, as self-employment is a feature of much of rural Wales.

I agree with the hon. Member for Aberconwy when he argues for enterprise zones, particularly enterprise zones themed around certain types of activity. The only thing I worry about is that if we have enterprise zones throughout the UK—not just in Wales—they will not act as an incentive hub for a wider economic picture. In some places in the early 1980s, jobs were poached from other areas and the net effect was less than one had hoped for because, rather than creating new jobs, companies moved in to benefit from the improved climate within the enterprise zones. That is a particular worry. I understand that the Government intend to have such an enterprise zone somewhere in the north-west. I am not sure what is going to happen, but I will certainly keep an interest in the matter.

Irrespective of welfare reform, we need in Wales to boost the private sector, to equip our workers and workless people better, and to improve the integration of services to ensure that there are jobs for our people and prosperity for our country. We need a work creation programme—that is the missing part of the jigsaw. If that sounds a bit like the case for a future jobs funds 2, so be it, particularly if that is aimed at those who are inevitably at the end of the queue when jobs are being handed out—the long-term unemployed, and those incapacitated by illness or long-term disability.

5.20 pm

The Minister of State, Department for Work and Pensions (Chris Grayling): I congratulate the hon. Member for Arfon (Hywel Williams) on securing the debate. I will have to respond to him relatively briefly because I think I have only nine minutes in which to speak.

The hon. Gentleman made his points extensively and thoughtfully, but I do not recognise the degree of bleakness in the picture that he portrays. I recognise that unemployment remains a major challenge for us around the country—it is one of the most difficult parts of our inheritance. I accept that a number of areas of Wales, like a number of areas of England, Scotland and Northern Ireland, are affected by deep-rooted problems of worklessness. However, Wales has been one of the brighter spots in the labour market in recent times.

The hon. Gentleman talked about the private sector. In Wales in the past 12 months, the truth is that 31,000 net new jobs have been created. In reality, that represents a higher number of jobs in the private sector because the figure also takes into account job losses in the public sector. In the past year, Wales has proved that it is possible to grow private sector employment. Unemployment in Wales has fallen by 16,000. He asked where the jobs would come from. The truth is that in Jobcentre Plus in the past three months, nearly 48,000 vacancies have been taken in across Wales.

The total number of people on jobseeker's allowance in Wales as a whole is 71,600. While I recognise that we have a challenge, and I particularly accept that we have a challenge in individual areas of Wales, the picture is not as bleak as the hon. Gentleman suggests. I certainly do not think that it is as bleak as is portrayed by the Sheffield Hallam research, which argues that, in the valleys alone, 70,000 more jobs would be needed. As the total JSA count for the whole of Wales is 71,000, I would have to say that its view is on the pessimistic side.

The hon. Gentleman is absolutely right—my hon. Friend the Member for Aberconwy (Guto Bebb) is also right—to say that we really need to support the growth of self-employment in Wales. A central part of the task of encouraging and fostering economic and employment growth in Wales is supporting the self-employed. That is why I am committed to the success of the new enterprise allowance in Wales, which will help people off benefits and into self-employment, and it is why I hope that the new Administration in Cardiff will make self-employment a particular focus of its work with business.

If I was replying to a debate about an English region, I would be setting out a number of other areas in which the Government are taking steps to try and deal with the unemployment and worklessness challenge, including through apprenticeships, which are an essential part of our strategy. Particularly for the young unemployed, apprenticeships are a much more cost-effective way of delivering support and opportunity than the extremely expensive future jobs fund, which provided six-month placements in public and voluntary sector organisations at a time when the best job opportunities were arising in the private sector. The cost of that scheme was three to

four times more than even the new deal for young people under the previous Government. The scheme was not affordable and did not deliver clearly improved results on either value or outcomes in comparison with other schemes. Investment in apprenticeships delivers a much better alternative, so I hope that the new Administration in Cardiff will pursue that route.

It is also important that the new Administration in Cardiff do a good job on economic development. If we were talking about another part of the UK, I would be talking to the hon. Gentleman about the importance of the regional growth fund to invest in manufacturing, and research and development facilities, in those areas of the country that have lower levels of private sector employment and bigger employment challenges. Again, I hope that the new Administration in Cardiff will take the lead set by the coalition Government in Westminster to set up a similar mechanism to the regional growth fund to invest in precisely the kind of opportunities that he rightly says that Wales needs.

We are taking clear steps to try and deal with the issue of worklessness in Wales. Alongside the introduction of the new enterprise allowance, that is being done through two particular schemes. The first is our work experience scheme, which is designed to address the challenge that young people face to get a first foothold in the workplace. All too often, they face the challenge of not having the experience to get a job, and not being able to get such experience without a job. One thing I learned quickly on becoming a Minister was that the previous Government's rules said that if people did more than two weeks' work experience, they lost their benefits. That was crazy. We have now changed that rule and it is possible to do up to eight weeks on benefits while doing work experience.

In addition, we have turned the whole system on its head and are now actively looking for work experience opportunities for young people across England, Scotland and Wales in an approach that will give young people an opportunity to gain initial experience in the workplace and show potential employers what they can do. I hope that that will prove to be a route into apprenticeships. Again, I hope that the Government in Cardiff will work with us to ensure that there is a clear link between the work experience opportunities for which we are looking through Jobcentre Plus, those first few weeks in the workplace, and an opportunity for those young people to move into an apprenticeship.

The other part of our strategy to help the long-term unemployed is the Work programme, which is now operating throughout the whole country. In Wales, we have two providers: Working Links and Rehab Group. Rehab Group is one of our two part-voluntary sector prime contractor groups. Alongside those two prime contractors, there is a network of different organisations around Wales helping to provide specialist support for the long-term unemployed. What makes the Work programme different is that it is all about delivering much more personalised and tailored support to the long-term unemployed and those who are moving off incapacity benefit.

I would take another issue with the Sheffield Hallam report. As a result of the changes we are making to incapacity benefit, no one will lose benefits except those who are currently in receipt of contributory employment and support allowance, which will be time-limited, and those who have other financial means. If people do not have an alternative form of support, they are not suddenly going to be cast on to the streets, but that is a point about which the report gives a slightly misleading impression.

I describe the Work programme as a giant employment dating service. It is about matching individuals to the right job opportunity, and a job opportunity in which they are likely to stay. It is important to the providers that they deliver because we do not pay them unless they get people into sustained long-term employment. They cannot earn their full fees for a conventional jobseeker for 18 months after that person has entered work, so if someone ends up in the wrong job and is likely to drop out, the provider will inevitably lose out financially. The providers therefore have every incentive to ensure that they match individuals to the right job opportunity in which they have the best chance of staying.

The Work programme will deliver a much better support than has previously been the case. It unleashes best practice. It will succeed the most if it delivers what works the best. There are no diktats from Whitehall—no instructions about how to do this—because it is all about delivering what works for individuals. I am confident that the Work programme will take back-to-work support to a new level and help many of those people who are trapped in pockets of long-term unemployment in Wales to find and move into opportunities that arise.

I am confident that we will see economic growth across the country. The independent Office for Budget Responsibility is forecasting significant growth in private sector employment in the next few years, and that has already been happening in Wales. The key is to ensure—this was not happening under the schemes that we inherited from the previous Government—that those who are trapped on JSA and other benefits have, when possible, the opportunity to take advantage of vacancies when they arrive. Our reforms are all about making work pay, supporting people into work and trying to create an environment across the UK in which business can flourish, grow and develop. In Wales, with the additional contributions that I hope will come from Cardiff to work with us on economic development and creating opportunities for business to grow and develop, I hope that that will provide a solution to the very real challenges of worklessness in Wales that the hon. Gentleman rightly identified.

Question put and agreed to.

5.29 pm

Sitting adjourned.

Westminster Hall

Thursday 14 July 2011

[MR CHARLES WALKER *in the Chair*]

Future of CDC

[Relevant documents: Fifth Report of the International Development Committee, HC 607, and the Government response, HC 1045.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Newmark.)*

2.30 pm

Malcolm Bruce (Gordon) (LD): I am glad to have the opportunity to open this debate on the future of CDC, and I appreciate the fact that the Secretary of State for International Development has undertaken to respond to it.

CDC is a remarkably important part of our development armoury and it is likely to undergo substantial changes in the coming years, as our Committee recommended in its report. I need not detain hon. Members long by saying that CDC—originally the Colonial Development Corporation, subsequently the Commonwealth Development Corporation, and now just the CDC—is the Government's development finance institution and the fourth largest in the world. On its own terms, it has been a success, in the sense that it has grown its assets from £1.2 billion to £2.7 billion since 2004. In 2009, which is the last year for which I have figures, it contributed £222 million towards the UK's official overseas development assistance.

From a personal point of view, I would say that CDC has done well in terms of what it was asked to do, but it needs to do more and differently, and that is certainly the recommendation of the Committee's report. The Government have reviewed CDC. The Secretary of State said to me that as a fund of funds it is fine, but it needs to be something more—I agree. Indeed, it has been my view for a number of years that CDC is too distant from the Department for International Development and that its full potential for helping to achieve private sector growth and development in our priority areas has not been realised. I welcome the Secretary of State's statement that he wants CDC to be

"more pro-poor focused than any other development finance institution, doing the hardest things in the hardest places."

If I may say so, that quote is characteristic of him.

I have often said that the International Development Committee is not the overseas aid Committee. If we are to provide sustainable development that will lift poor people out of poverty and keep them out, we must strengthen the private sector's ability to support them. As a fund of funds, CDC has levered additional finance, and there is clearly a role for that to continue—indeed, that will probably be its predominant role—but we have suggested that CDC should consider whether it can, for example, attract more capital from diaspora funds. Diaspora finance far outweighs our overseas development assistance to many developing countries, but it is fair to acknowledge that, understandably, much of that money goes back to the families and communities from which the diaspora has come. However, the Committee took the view that there must be scope for a significant part of that finance to be channelled into wealth-focused, pro-poor development funds. We certainly believe that a well-targeted, well-managed fund could unlock a lot more for pro-poor development.

Anas Sarwar (Glasgow Central) (Lab): As a fellow member of the Committee, I praise the Chair and his draft, which we accepted without any amendments. He rightly says that diaspora communities want to invest in their mother countries. One example is the Pakistani community, which invests heavily in Pakistan. However, one regular problem is that the investments are risky and do not give the returns sought. If CDC reformed itself to appeal to diaspora communities, that could lead to much more effective aid and development in their countries.

Malcolm Bruce: I thank the hon. Gentleman for that intervention. CDC opens up the opportunity to do a lot of things differently in the future that could unlock funding from a variety of different sources. That will be a mark of its success.

We also recommend that CDC should try to invest funds where private capital otherwise might not go—or not on a scale or on terms that would meet the needs of the poor. There is plenty of evidence throughout the world that some market opportunities do not always attract adequate investment because they are regarded as unfashionable or remote, or because their benefits are counter-intuitive. One example from the not-too-distant past, and from quite close to home for me, is the Highlands and Islands Development Board. An interesting thing about the board is that it invested in its heyday in stimulating new companies and initiatives across the highlands and islands region.

I remember the chairman of the board giving evidence to a Select Committee. When he was asked what return the board made on its investment, how many losses and bad debts it had and how that compared with the private sector, he answered, in summary, "Actually, our rate of return and bad debt is almost exactly the same as in the private sector." That prompted the question, "Well, why do we need you, then?" and he answered, "Because the private sector wouldn't go where we went." That is classically the case with CDC. It will and can go to places where investment might not otherwise be made, but where genuinely positive economic returns can be secured. *[Interruption.]* I am glad that my hon. Friend the Member for East Surrey (Mr Gyimah) has found his right place in the Chamber. I hope that he might catch your eye in due course, Mr Walker.

It is right that a development finance initiative such as CDC should have, in addition to such priorities, an investment code that meets the Department's environmental, social and governance standards. That code should be used not as a barrier to attracting funds, but as a means of effectively certifying the quality of investment and attracting money from investors who want to meet certain high standards. There are examples of ethical investment funds in the UK. People with such investments want to invest their money in ways that have particularly beneficial social outcomes. I am certain that people will want to invest in ways that deliver benefits to the poor, but they will also want to know that it is being done in a

[Malcolm Bruce]

businesslike and commercial way—not through a charity, but through an organisation designed to create sustainable economic development.

One problem with and criticism of a fund of funds is that, by definition, it creates long lines of communication and limited direct control. Many transactions are happening at a long remove. Given that it is a development finance institution, it is therefore necessary, first of all, to ensure that the impact is properly assessed and measured. We have called on the Government to ensure that that is done more effectively than in the past. A proper assessment should be made of what jobs were created, whether they were quality, permanent jobs, and whether those jobs were adequately paid. That is the essence of sustainability as well as of the pro-poor benefit of the investment. The same applies to transparency. People need to know where the money is being invested and whether it is being invested in appropriate things with which people feel comfortable. They need the assurance that the primary outcome is benefiting poor people.

That point raised a debate in the Committee about what people should be paid. It is somewhat embarrassing that the CDC has suffered criticism for that in the past. Given that its primary purpose is to help the poorest people in the world, high rates of remuneration and bonuses for its executives create an uncomfortable anomaly that needs to be addressed.

Mr Sam Gyimah (East Surrey) (Con): Does the right hon. Gentleman agree that it is not just about the absolute level of salaries and bonuses, but about the time horizon within which they are paid? If we are to do serious development work or to make investments with a development impact, people should be thinking about the long term, rather than about short-term gains.

Malcolm Bruce: I absolutely agree. My view is that that is a good criterion for every form of investment, but especially in this context.

The Committee received interesting evidence on remuneration, which we debated. The standard response on CDC has been, "It has been set up as a market-based model competing for funds in the marketplace, so we have to pay people market-based salaries." I am not saying that there is no connection between those things, but we received significant evidence that there were people who would be prepared to work for considerably less than the market rate, although not necessarily for peanuts, given that, in the peak year, the chief executive's package totalled £1 million, which included a salary of several hundred thousand pounds. However, there are people who will work not for £20 a week, but perhaps for £50,000, £100,000 or £150,000 a year, on the grounds that they have an opportunity to give something back from their own career by contributing their experience at a time when they do not need the money. We asked the Government to look at that. I appreciate that that can create tensions, but as long as the process is done openly, the model would draw some of the sting out of the criticism that has been levelled in the past.

Similarly, the Committee had an interesting discussion about the use and role of tax havens. We recognised that things were not as simple as we had thought when we started to look into the situation. The argument for their use is that they create financial efficiency that attracts more money than would otherwise be the case, and that that does not, in fact, mean that taxes are not being paid. Unattached—orphan—money that was not directly related to a particular geographical area or activity could be reinvested in the fund and, in effect, the tax not paid on the tax haven funds represented money available for reinvestment. The Norwegian development finance institution recently took a policy decision to pull out of tax havens, and doing so dramatically reduced the attraction of additional finance. Our view is that we should look at the situation clearly. There should be transparency and institutions should always pay taxes appropriately and properly, but we have asked the Government to consider whether they should provide a rule about the correct role of tax havens. To be frank, the Committee did not feel that there was enough authoritative evidence to make a definitive recommendation.

Anas Sarwar: In the spirit of transparency, does the right hon. Gentleman agree that it might be a good idea for the Government to consider whether they should request that CDC publishes what taxes it pays and what profits it makes for every country it works in?

Malcolm Bruce: Absolutely, and I obviously hope the Secretary of State can give us that assurance.

In a sense, the organisation needs to be a trailblazer for what an investment model in developing countries ought to be, and a role model not only for other DFIs, but for the well-intentioned private sector. We have concluded that there is scope for clarification at the very least and for the maximum transparency.

We were as shocked as the Secretary of State that despite the sale of Actis, the fund manager, for £373,000 and the fact that the Government were apparently entitled to 80% of the proceeds, not a penny had been paid by the time the Committee took evidence. I know that he was anxious to vent his spleen about that when he gave evidence to us. I do not know whether he will be able to give any indication today of whether the Government can sell their share and, if they do so, whether we will get a fair rate of return—after all, that will be reinvested for the benefit of poor people.

Perhaps the Committee's most significant recommendation was that the investment model for CDC should be changed. I know that the Government have not entirely accepted our recommendations, but I think that they acknowledge the strength of their principle and the spirit. We recognise that the fund of funds model could unlock a substantial amount and that it does attract investment. Particularly if the report's recommendations are taken on board, that could be focused in a way that gives real, sustainable, long-term benefits to poor people in poor countries.

We felt that some of the money needed to go into more direct, riskier and more pro-poor investment. That means not that it should be thrown away or invested irresponsibly, but that lower rates of return should be acceptable or that a mix of grants and loans should be applied. We suggested the name "CDC Frontier" to indicate that the body would be operating slightly more experimentally.

One point about our recommendation of having two separate businesses was that because the fund of funds has been very successful at attracting and unlocking

substantial extra funding—it has provided very good leverage—we were concerned that a more risk-associated set of investments in the same fund might frighten off some investors who have contributed. I hope that the Secretary of State will reassure us and that his response shows that he has taken our concern on board. As long as the Department and the way in which CDC is established are able to reassure those people, the Committee will be content if our specific model is not adopted. I hope that the Secretary of State understands that the proposal was not a gimmick, but a genuine attempt to ensure that we had the balance of the changing nature of the business right and that we did not have a higher-risk aspect undermining the area with a proven track record.

The Committee felt that there should be some agreement on the sort of sectors within which CDC should operate, but the Government did not entirely accept that recommendation. I appreciate the reason behind the absence of the hon. Member for Stafford (Jeremy Lefroy). He is a valued member of our Committee and has real expertise in agricultural development in east Africa. He was rightly exercised by the view that most countries in which we have the greatest commitment to pro-poor development are rural, and agricultural productivity is a major cause of poverty. The Committee accepts that the world is changing. We have produced a report on urban poverty and increasing urbanisation, so we do not see development as something that happens just in remote parts of rural Africa, which is sometimes the public image. However, it is true that in both the sub-continent and Africa, a high proportion of the poorest people depend on agriculture for their livelihoods, yet the productivity of agriculture is frankly abysmal in many cases.

When the Committee recently visited east Africa, some of us spent a night in a village in the heart of rural Burundi—

Richard Burden (Birmingham, Northfield) (Lab) *rose—*

Malcolm Bruce: I will not take any interventions on that point. There is an internal issue in the Committee.

In Burundi, we witnessed for ourselves some of the poorest of the planet's poor people struggling. I was going to say that they were on the edge, but they were beyond the edge—they were not operating at survival levels. If it were not for the intervention of non-governmental organisations, I do not think that they would have survived. It was estimated that their per-capita income was 20p a day. Apart from very basic and poor living conditions—no electricity, one tap for 4,000 people and pit latrines, although not for everybody—we saw exhausted soil, diseased plants and minimal yields that were inadequate even for self-sufficient farming, never mind cash-cropping.

The hon. Member for Stafford, as someone who knew a little more about agriculture than other Committee members, said that it should be possible to perform a soil analysis, to work out nutritional benefits and to advise on disease-resistant plants, and possibly to increase the yield of the agricultural holdings by up to eight to 10 times. That would be a massive return, so we felt that CDC should be part of the process of tackling that problem. We would like to think that it would consider investing in improving agricultural outputs in such poor countries.

Pauline Latham (Mid Derbyshire) (Con): Is it not true that CDC could help not only with productivity and increasing yield, but by working with farmers with very small plots of land to enable them to join together as a co-operative, because that would give them a greater income overall? When the Committee went to India, we saw a diversity of products compared with the sorts of crops grown in Burundi, Rwanda and, indeed, the Democratic Republic of the Congo. It would be better if people could diversify and have larger plots so that they can make more money, which would come back to CDC and benefit all those incredibly poor people we saw when we stayed in Burundi.

Malcolm Bruce: I certainly agree that we want a partnership that looks at the best way of optimising and maximising production from which the community can benefit. I know that the Government have said that they are unwilling to direct CDC into particular sectors, but I hope that the Secretary of State will indicate that he will also not be telling it not to go into particular sectors. I hope that the Government will listen to the Committee's view that CDC should try to explore such an area because that approach would give it an expertise that would be beneficial and could be replicated elsewhere.

Although today might not be the appropriate time for the Secretary of State to comment on this, he will be aware of the engagement that we have all had in our development programme in India. He has set a target of 50% for the level of Indian overseas development assistance going into private sector development by the end of 2014-15. For absolute clarity, I should say that the Committee did not dissent from that as a principle, but we were concerned about whether the mechanisms existed, or would exist, to achieve that figure. It will be interesting to see the role of CDC and equivalent partners in relation to that, particularly because the Government of India have made it clear that they are not keen on the UK Government's aid programme being used to subsidise private sector investment.

To return to the example I cited with regard to the Highlands and Islands Development Board, there were projects in the states that we went to—Bihar and Andhra Pradesh—that probably would yield a return, but are unable to attract investment because they are off the sexy horizon of where people want to invest in India. It is possible for the Secretary of State's objectives to be achieved, but the revamped CDC and the equivalent model may have to be worked up to a point where that can deliver. That is not possible at present and, to be fair, the Secretary of State has not said that it should happen as of today. However, a lot needs to be done in the next three or four years if that is to be delivered.

I can summarise things with a slightly personal view. I have been Chair of the Committee for six years, including throughout the previous Parliament. As I have said before, the creation of DFID was a considerable achievement of which the previous Labour Government had every justification to be proud. I have no hesitation in saying that. However, after that length of time and with a new Government in office, it is also right and proper to review, reprioritise and reassess.

Until recently, DFID was not comfortable with the role of interacting with the private sector. What people in DFID do in development terms is brilliant and world class. Indeed, I am not criticising the people involved

[Malcolm Bruce]

because they did what they were asked to do. However, whenever there was a discussion about private sector co-operation and partnership, there was a tendency to say, "Well, that's what CDC does. We'll park that and get on with our development job." In future, there needs to be more of a mingling of the two. When one role is more risky, complicated and difficult, there is always a worry that it could compromise the other. I understand those concerns, but the relationship between the Department and CDC as it changes needs to be slightly more hands on. There needs to be more parallel working between CDC in country and DFID programmes in country, and a greater understanding about them between the two.

My final example about that comes from a briefing the Committee enjoyed—my hon. Friend the Member for Mid Derbyshire (Pauline Latham) was there in Aberdeen—from the Wood Family Trust, which I hope will give evidence to us in the autumn on a different inquiry. The trust was engaged in a project in east Africa on making markets work for the poor. It is a private family foundation, and it started off by saying, "We're going to give the money we've made"—predominately out of the oil and gas industry—"and put it into development in Africa, because that's about putting something back. We're business people and we'll do the business thing." Indeed, that was precisely what it was doing. However, it rapidly realised that it could not do what it wanted without being in partnership with the public sector. It is interesting to note that the public sector needs to partner the private sector and the reverse is also true. It is the working together that delivers the best results.

I commend to the Secretary of State the fact that, when the Committee is visiting any bilateral partner in the future, we are likely to get a briefing about what is happening between the development programme and CDC in that country. We have not had that in the past—CDC has almost been a different organisation.

I commend our report to hon. Members. I am very grateful to the Secretary of State for attending the debate and, indeed, for his constructive response to the report. I look forward to him updating us because I am aware that since our report was published, things have moved on a bit with regard to initiatives to revamp and reinvigorate CDC. The Committee is very much looking forward to hearing about that.

2.56 pm

Richard Burden (Birmingham, Northfield) (Lab): I endorse and congratulate the right hon. Member for Gordon (Malcolm Bruce), the Chair of the Committee, on the way in which he has introduced the report. As I am a Committee member, it would be rather surprising if I said that I disagreed with the report, so I will say that I agree with it, having participated in its compilation. In addition, my life on the Committee would not be worth living if I said anything else.

I would like to ask the Secretary of State a couple of questions. In a sense, this picks up where the right hon. Gentleman finished. He talked about the join between the Department's private sector activities and those of CDC. I am still a bit uncertain about where that join is and how the Secretary of State sees it. When we visited India, that issue came home to me when we came across a target of 50% for how much of the Department's budget should be spent in the private sector. I had not heard of that before. It is obviously very well known that the Government felt that more of the Department's activities should be channelled through the private sector—I do not necessarily demur from that—but it was the first time I had heard that there was actually a target of 50%. A number of my colleagues and I found that a bit surprising because, if DFID is about doing what is right to combat poverty, the private sector should be utilised where it is appropriate, and what in some places might be called the third sector and the public sector should be utilised where that is appropriate. The objective should determine the percentage. That is not what seems to be happening here, where the percentage is in danger of determining the objective.

As we asked more questions about that, I got more confused about exactly what the policy was. When the Secretary of State winds up, will he clarify where the 50% figure comes from, rather than 40%, 30%, 60% or 80%? Why 50%? If such a target is appropriate for India, is there a 50% target for other areas where the Department is operating? If so, what is that based on? Is it based on the same criteria as for India or is it based on different criteria? If the figure is not 50% for other areas, how did he arrive at the different percentages? I am genuinely confused about how that works.

I would also like to know what the join is between that figure and the role of CDC. Certainly there was an uneasiness among some of our interlocutors in India about DFID saying that it wished to devote 50% of its activities to the private sector. That was not because the people we spoke to considered private sector investment to be unimportant. Indeed, a number of the most creative projects that we saw there could go under the heading of private sector projects, and they were often very small scale and very pro-poor. As the right hon. Member for Gordon mentioned, the people concerned were questioning whether, if this is going to be done on an industrial scale and on the basis of a particular percentage, it should be a private sector-led activity—the private sector investing—rather than something done by DFID directly.

Anas Sarwar: Does my hon. Friend recall the conversation that the Committee had with representatives of the Indian Government, who said that they would not see direct private investments by the Department for International Development as aid assistance? They recommended that DFID create a private sector wing, or arm, of its organisation to make those investments. In this case, it could be argued that that wing is CDC. If that 50% of funding does not go through CDC, does that not highlight the failures of CDC?

Richard Burden: My hon. Friend makes a good point. In a sense, that is what I am getting at. I well remember that discussion. There was unease about the percentage. There was certainly a view that there was a need for vehicles specifically attuned to that, rather than simply a percentage of the aid assistance programme. Does the Secretary of State see CDC as the vehicle for delivering that percentage, or do CDC's activities somehow sit on top of that? If he does see it as the vehicle, has he

communicated that down to his officials in the field, so that they are not necessarily structuring their budgets in a way that might not be what he wants to achieve? If he does not see it as the role of CDC to take that role—back to my original question—where is the join between what the Department itself does directly and what CDC does, particularly in regard to its direct investments, rather than its role as a fund of funds?

3.1 pm

Caroline Lucas (Brighton, Pavilion) (Green): I am grateful for the opportunity to speak in the debate, particularly because I am not a member of the International Development Committee, although I follow its work closely. I welcome the Committee's report on CDC, which has operated in the shadows for too long and which is increasingly a subject of public concern.

I am pleased to note that the issue of compliance by CDC fund managers with the Department for International Development-sponsored CDC investment code has been raised in the report, because it is an important issue. I have followed the issue at first hand after one of my constituents, Mr Dotun Oloko, came to see me about the investments of two CDC-backed funds in Nigeria, Ethos and Emerging Capital Partners. Mr Oloko's concerns have been set out in written evidence received by the Committee, so I will not detail them here. Suffice to say that Nigeria's Economic and Financial Crimes Commission reports that four of the companies in which CDC-backed funds have been invested are fronts for laundering money. That money is said to have been corruptly obtained by James Ibori, the ex-Governor of Nigeria's Delta state. Mr Ibori, who has previously been convicted twice in the UK, is on trial here again, this time for alleged money-laundering offences involving CDC investee companies.

CDC's investment in such companies raises many concerns. As hon. Members will recall, CDC's investment code requires that all businesses in which CDC's capital is invested must

"comply with all applicable laws and international standards intended to prevent bribery and financial crime."

Under these rules, companies with links to a politically exposed person, such as Mr Ibori, his relatives and close associates, should have been subject to an enhanced due diligence process. Why did the funds fail to pick up on these links, even after they had been brought before a Nigerian court and were widely publicised in print and in the electronic media? A simple internet search would have revealed the details of corruption associated with these CDC investee companies.

I also want to know whether procedures were in place, both within the funds and within CDC, to ensure compliance with money laundering laws in the UK, the US, Jersey, South Africa and Mauritius—all countries where the funds and CDC are variously registered. For example, here in the UK, the Money Laundering Regulations 2003 require CDC to implement procedures to forestall and prevent money laundering. If, as the evidence from this case suggests, CDC has failed in that respect, will there now be a broader review of CDC's portfolio with regard to money laundering risks?

My constituent Mr Oloko's own investigations revealed another stunning fact: a discrepancy of several million pounds between the amount one of CDC-backed funds claims was paid for its investment in a Nigerian fertiliser company, and what was actually received for the shares in Nigeria. The fertiliser company is reported—alleged—to be a front for Mr Ibori. Yet this appears to have gone unnoticed by CDC and, once it was informed, unreported too. In future, will CDC be required to report such information, if there are reasonable grounds to suspect that a crime has been committed?

There are other causes for concern. CDC continues to be an investor in a bank whose director has been jailed and in other indicted investee companies. Those companies include one where a former chief executive officer is facing criminal charges in Nigeria as well as civil action in the UK, and another which *Private Eye* magazine has accused of tax evasion and corruption. DFID's response has been equally worrying. When concerns were raised, did it seek further information from Mr Oloko? No, it did not. Did it bring in independent investigators? No, it did not. All it has done is to ask the funds and CDC—the very institutions whose actions need investigation—to give assurances that no wrongdoing occurred. That is not sufficient to reassure the public.

A key question, still to be answered, is whether CDC passed on the information that it received from Mr Oloko to the police, as required under the Proceeds of Crime Act 2002. We do not know, because CDC refuses to say. When I met the director of the Serious Fraud Office earlier this year, he told me that he learned about the concerns directly from my constituent, Mr Oloko.

CDC's Nigerian investments are not the only causes for concern. CDC also invested in funds that have backed companies accused of human rights abuses, such as Anvil Mining, and of profiting at the expense of the poor. For example, in Uganda the CDC-backed power distributor Umeme has hiked electricity prices to the point where many poorer Ugandans have been forced to steal electricity from the grid; Umeme's manager is reported to have called for their execution.

DFID officials have argued that the measure of CDC's contribution to relieving poverty is the profitability of the companies backed by its funds, which is not a serious argument. While investment is certainly needed to relieve poverty, it is both simplistic and irrational to assume that any investment, even if conditioned by environmental and social safeguards, automatically translates into positive impacts on poverty reduction simply because that investment generates growth.

Before I was elected to this House, I worked for Oxfam for more than 10 years. I have seen some of these development questions at first hand. Many of the funds in which CDC invests make extensive use of tax havens. I listened with interest to the right hon. Member for Gordon (Malcolm Bruce) on the complications and issues around tax havens, which is a matter of concern. Those funds are using tax havens, and although the right hon. Gentleman explained that that is not always to avoid paying taxes, it still raises concerns.

Malcolm Bruce: I want to reassure the hon. Lady that we share those concerns. We did not dispel them; we just felt that the matter was more complicated than we had appreciated. In a wider inquiry, we did not have time to come to a definitive conclusion. The concerns exist and we need assurances, but she should accept the danger that investment may be driven away if the matter is handled wrongly.

Caroline Lucas: I hope that the issue can be looked at in greater detail. I appreciate that it is complex, but none the less there are real causes for concern.

The Government have acknowledged many of the concerns about CDC. I am encouraged that that has strengthened CDC's environmental, social and governance procedures. CDC is also committed to introducing new development impact indicators and to developing new investment instruments, so that it no longer operates exclusively as a fund-of-funds investor. By 2015, 20% of its investments will be loans and 20% of them will be direct equity investments. However, that still leaves 60% of its investments being delivered through private equity funds. I question whether such turbo-charged profit seekers are always the appropriate development finance vehicles. Indeed, fund managers themselves are sceptical about the compatibility of the fund-of-funds approach with DFID's development objectives, particularly in addressing poverty.

There are some important lessons to be learned, most notably about the need for proper scrutiny of development projects and for CDC's investments to be properly monitored on a regular basis. My constituent has looked at a relatively small proportion of CDC-backed funds, but what he has already discovered makes me extremely concerned that there deep-seated problems that needed to be addressed as a matter of urgency.

Profiting from development at the expense of the poor is easy; history is, unfortunately, replete with examples of that. The more difficult challenge is to assist poorer people in designing and developing programmes for their own benefit, rather than that of their financial backers. I very much hope that CDC can rise to that challenge in the future.

Finally, I sincerely apologise for the fact that I cannot be present for the whole debate, although I will be here for some time. I understand that it goes on until 5.30 pm.

Malcolm Bruce: It can do.

Caroline Lucas: If it does, I cannot be here until then. I hope that the Secretary of State will forgive me, and none the less address some of the issues that I have raised. I will avidly look at his response in *Hansard*.

3.10 pm

Mr Sam Gyimah (East Surrey) (Con): It is a pleasure to serve under your chairmanship once again, Mr Walker. Most of us here agree about the vital role that an organisation such as CDC can play, if it gets its model right, in driving growth and prosperity and in alleviating poverty in the process.

I was not a member of the Committee when it conducted its inquiry, and I was quite worried, before I looked at its excellent report, about changing CDC's business model. I was concerned about whether CDC would be able to make the same returns. I thought we might be asking too much of an investment fund that operates in some of the most difficult parts of the world if we told it to focus only on those places that need its help the most, on those sectors where it can make the most difference and in environments where levels of corruption could be quite high—as we know from organisations such as Transparency International, governance regimes are simply not there in some of these countries, and especially in those that face conflict. Ultimately, the UK taxpayer could suffer as a result. There was therefore the difficulty of returns, the political risk and the issue of operating in conflict areas. That was the attitude with which I approached the Committee's report.

Having looked at the report and been on our visit to Rwanda, the Democratic Republic of the Congo and Burundi, I realise that private sector companies simply will not take on certain types of investment, because the returns are not there, and they will not allocate capital to such projects. With that in mind, it makes a lot of sense to see whether much of CDC's effort could be refocused, and the horizon is absolutely important. When CDC changed its business model, a lot of bankers and private equity players ended up working there, and from my experience in banking, I know that their outlook is slightly different and the returns they look for are very different. If an organisation is staffed by such people, it might not always be consistent with looking at agriculture or infrastructure projects, which take quite a long time to deliver the development output that we would expect.

Having seen the Secretary of State's response to the Committee's report, I have a couple of questions for him. The first relates to sector focus, which was touched on by the Chair, who also mentioned the experience and expertise of my hon. Friend the Member for Stafford (Jeremy Lefroy) in agriculture. In the whole of Africa, we are seeing some of the consequences and difficulties that come about if we do not have some of the best practice in agriculture. As we know, people in CDC had that experience before it changed its business model, so is there a case for saying that we should look at some sort of sector focus to make a development impact? That is particularly relevant given what DFID came up with after the bilateral and multilateral aid reviews. They did not say much about agriculture, so could CDC be the vehicle for looking at the issue?

My next question for the Secretary of State relates to the skills and the knowledge base. If CDC is to change its business plan, I want to know a little more about how it will get the skills to deliver what will be a very different investment model. If it is going to focus on sub-Saharan Africa and Asia, it will need a lot of country knowledge and to be able to identify the best transactions. It will also need people who are committed to the sector they are dealing with, which is very different from a fund-of-funds model, where people's skills base probably relates to choosing the right fund to put money into, rather than identifying the right investment and the right management team, which will then be given ongoing support to ensure that the investment yields a return. What work has been done on that? How will CDC be almost re-engineered to deliver the new business plan?

The final point I want the Secretary of State to clarify is how the accountability link to the UK taxpayer will work. Obviously, it will be through the Department, but I would like a greater sense of how that will work. The Secretary of State has rightly focused on results as regards our development and aid budget, and the Committee's report focused a lot on how we can assess development impact, but I want to know how we work out whether the UK taxpayer is getting value from what is done.

Anas Sarwar: As the hon. Gentleman has rightly said, he was not a member of the Committee during our inquiry. Having immersed himself in our work since he joined the Committee, however, he will agree that it was bizarre that when CDC's managing director, chief executive and chair came before us to give evidence, they could not, between the three of them, answer basic questions such as how many staff they employed, what the total wage bill was and what the total bonuses paid to their 46 members of staff were. Is that not an indication that we need improved transparency, so that we can show those things to the British people and get their trust in the process?

Mr Gyimah: I thank the hon. Gentleman for his point. I totally agree that the British public need transparency about how the organisation is run. However, the success or failure of the fund's operations also depends on such details.

I want the Secretary of State to clarify the points that I have raised. Let me say once again what a pleasure it is to serve under your chairmanship, Mr Walker.

Mr Charles Walker (in the Chair): I call Miss Ali. *[Interruption.]* Sorry, Mr Lefroy—it would be helpful if Members could stand so that I can see that they want to speak.

Jeremy Lefroy (Stafford) (Con): I was standing.

Mr Charles Walker (in the Chair): You were? Very funny.

3.17 pm

Jeremy Lefroy (Stafford) (Con): I am grateful to you, Mr Walker. I was not sure whether I would be allowed to speak, not having notified you. I was in a Bill Committee and I was not sure whether I could leave it.

I would like to follow my right hon. and hon. Friends and other hon. Members on the Committee by raising a few points, and I apologise if I repeat some of what they have said. I want to stress two or three issues that have come out of the report. I very much welcome the Government's positive response and the way in which they have set about dealing with CDC—a body that has, let us not forget, been extremely successful. Its investments have gone up by something like £1.5 billion over six or seven years, and any organisation would be proud of that performance. CDC has received no taxpayer's money since 1995, and it is something of which the British people and the British Government—the previous Conservative and Labour Governments and the current coalition Government—can be proud. We need to set all our remarks in that context.

As I said, I welcome the Secretary of State's engagement with CDC right from the start, as well as his support for the Committee's work and the Government's reaction to our recommendations. He did not necessarily accept that CDC should be split into two separate legal entities, and perhaps there could be two separate parts to the same legal entity. I understand his position, and we do not want to create more complexity than is absolutely necessary, but we must aim to achieve what we want to achieve.

What do we want to achieve? There are two or three things that we need to do with this new-model CDC. The first point to note, as my right hon. Friend the Member for Gordon (Malcolm Bruce) and my hon. Friend the Member for East Surrey (Mr Gyimah) stressed, is the importance of agriculture. It is vital that private investment goes into agriculture. There has been news in the past two or three years of major investments in agriculture in sub-Saharan Africa. Those consist quite often of sovereign funds taking large chunks of land on a lease or perhaps a freehold basis to promote their own domestic food security. I see some dangers in that. First, the food security that we need to be most concerned about is in the countries in which the investments are made. We do not want food to be exported from countries that are already suffering deficits to other parts of the world. We need to encourage local production for local markets. Of course we need to encourage trade and exports. However, I have had personal experience of how there can be a surplus in one part of a country, which is traded overseas, while there is a deficit—indeed, semi-famine—in other parts of the country. The problem is the logistics and infrastructure. We need to be a little wary about such investments.

I see CDC as having a tremendous role to play in encouraging a sustainable investment in agriculture, of two kinds. That might, first, be in direct investments in socially responsible agribusinesses, and in businesses that perhaps work with smallholders at one remove. The future of increased productivity in agriculture in sub-Saharan Africa, and other parts of the world, is often in the hands of smallholders, who know their land best and are able to get fantastic results. Sometimes it is said that smallholder production is not up to the standard of that of large estates, but I dispute that. Where smallholders have access to training, inputs, fertiliser, up-to-date seeds, research and modern plants, they can produce at the same level as estates, and perhaps surpass it. The cocoa crop is an example; it is produced almost entirely by smallholders, not estates, for the simple reason that the smallholders generally do a much better job than estates have, where they have existed. It is clear that CDC in its new guise, either through CDC Frontier or the existing CDC, could improve or increase its investments, and go from what I believe is currently 6% in agriculture to a much higher level.

Secondly, I believe that CDC has an important role to play in the support and development of small and medium-sized enterprises. Our report showed that the average size of a company in which CDC had made an investment was quite substantial. If I remember rightly, it would have an average of more than 1,000 employees. Clearly, within that there were successful smaller companies. However, I believe that CDC could be one of the major sources of funding in the spheres where it operates—perhaps not directly for SMEs, because it might be too much to ask that it would invest in them directly, but certainly in funds such as GroFin, in which I believe it already invests, and ManoCap in Sierra Leone—funds that invest in SMEs. CDC already has expertise in that area, and I would like it to expand that.

Finally, I believe that CDC needs to consider infrastructure. It already invests quite a lot in that. I have referred to the importance of infrastructure in agriculture and getting crops around the country. I think that DFID has a tremendous role through the

[Jeremy Lefroy]

Private Infrastructure Development Group in supporting infrastructure in sub-Saharan Africa and elsewhere. However, CDC could look at more local and smaller scale investments in infrastructure, which would help not only the SMEs I have spoken about but the agricultural sector.

I welcome the Government's response to the report. I believe that CDC is poised to set off in new areas without losing its expertise and performance in existing areas. It is extremely important that the Government should continue to support CDC. The report pointed out that DFID should perhaps take greater interest than it has in the past, when CDC has almost been left to get on alone. It has done a good job, but if the Secretary of State continues to show the kind of engagement and involvement with CDC that he has done, both in his public pronouncements and the response to the report, it will have an excellent future.

3.24 pm

Rushanara Ali (Bethnal Green and Bow) (Lab): It is a pleasure to speak today from the Labour Front Bench about CDC. I thank the Chair of the International Development Committee, the right hon. Member for Gordon (Malcolm Bruce), and the rest of the Committee for their work. It is vital that CDC should play its part in promoting investment in developing countries to promote economic development and poverty alleviation.

In 2009 development finance institutions contributed about $33 billion of new private sector investment in developing countries. The contribution made by institutions such as CDC to developing countries has the potential to make an even more significant impact on economic development and poverty alleviation, as part of the UK's continuing work in international development. As the right hon. Member for Gordon pointed out, it is vital to build on its work and to focus on areas where improvements can be made. With a mandate to boost economic growth by investing in private sector development and more than £2 billion of planned investment in the next five years, there is, as I have said, a great opportunity.

I want to focus on some of the issues raised by right hon. and hon. Members in the debate. The right hon. Member for Gordon highlighted the importance of CDC's acting as a fund of funds, and of the need to focus on pro-poor development and the connection between investment and development. Economic growth in its own right will not bring about development if we do not use our investments appropriately, as many hon. Members have pointed out.

Malcolm Bruce: The hon. Lady has made an important point. A World Bank report on sub-Saharan Africa will often give an annual figure showing rates of growth that most of Europe would envy, but it does not show that the distribution of that wealth is not helping to alleviate poverty. Wealth by itself is no use, if it does not get to the people who need it.

Rushanara Ali: I welcome that comment. As we have seen recently, in many middle-income countries, economic inequality coupled with injustice are a devastating combination and can lead to conflict. Economic development is vital. Growth is vital, but it must go hand in hand with tackling global inequality. We must be mindful of that responsibility in our investments through CDC and in our other investments.

The right hon. Member for Gordon also discussed the linked matter of ethical investment and the need for social outcomes and sustainable economic growth, and other hon. Members have reinforced those points. Historically, while CDC's role has been important and has often been positive, it has had a mixed history. This is a great opportunity for us to look ahead at how it can play a bigger and more significant role.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) raised the important question of about 50% of the international development budget to India being channelled through private sector investments. He sought clarification from the Secretary of State whether that figure is accurate and whether that investment will be channelled through CDC or some other route. I will appreciate that being clarified in the Secretary of State's response.

The hon. Member for Brighton, Pavilion (Caroline Lucas) raised some important issues about compliance with the spirit and letter of international law and about tax, transparency and money laundering laws, among others. She reiterated the role of ethical investment and the need to be mindful of human rights, in particular when investing in mining companies and others. Many organisations have expressed concern about the impact that particular kinds of investment can have and the need for greater care to ensure that such investments are ethical and that human rights violations do not take place.

Jeremy Lefroy: Does the hon. Lady agree that we have the opportunity not only to be careful about bad practice, rooting it out wherever it occurs, but to promote good practice with investments made by CDC, whether through funds or perhaps in future directly?

Rushanara Ali: CDC has an important opportunity to lead by example, and we must require it to set that example and to implement the focus on human rights, given the interest in human rights in those countries. I very much accept the hon. Gentleman's point.

I also want to mention what the hon. Member for Brighton, Pavilion said about CDC acting as a fund of funds as well as a poverty alleviator. It is important to consider compatibility. There are many examples of incompatibility and, as she rightly stated, some bring into sharp focus the tensions between the two objectives. The two are welcome, but greater monitoring is needed to ensure that the objectives do not contradict each other.

The hon. Member for East Surrey (Mr Gyimah) discussed returns on investment. His insights included recognising the importance of creating the appropriate investment horizons and environments. He raised two key issues on skills: first, on skills and the knowledge base, he pointed out the importance of ensuring that that capacity and technical expertise is available as the investment takes place in developing countries; and, secondly, he indicated the importance of sector focus, in particular in agriculture. Several hon. Members mentioned accountability and transparency.

I will wrap up, because I am conscious that I do not have a huge amount of time.

Mr Charles Walker (in the Chair): You have plenty of time.

Rushanara Ali: I have lots of time, which is good.

In 2010, CDC's capital was invested in about 143 funds, supporting 930 individual companies worldwide. Companies benefiting from CDC investment employ almost 1 million people in 70 different countries. As the International Development Committee report acknowledges, CDC has contributed to employment and the tax base in developing countries, which are critical to development and economic growth. That is, however, only part of CDC's contribution, and other notable examples of success can be found in developing infrastructure and technology and in linking those countries to the international economy. So CDC has a vital role to play in the future in infrastructure development and in poverty alleviation, although a number of issues were raised by the Select Committee report as well as by those who submitted evidence and who have campaigned for continued reform of CDC.

I want to ask the Secretary of State about ensuring the appropriate monitoring of impact, of what happens to the investment and of how development objectives are met. I also want to reiterate the points made in the debate about investments being ethical, fulfilling human rights objectives and not contradicting our overall national aims to ensure that our investments are appropriately geared towards economic development as well as poverty alleviation.

On smaller investments and support to SMEs, as hon. Members have mentioned, we must be vigilant in ensuring that CDC does not merely replicate what other investors do but provides added value. It should give support and investment to smaller investors or those from diaspora communities. As was acknowledged, such communities provide more investment in developing countries—their countries of origin—than all development aid put together. CDC has a great opportunity to tap into that resource and channel the aid and investment going into those countries to help fulfil economic development and poverty alleviation objectives.

I will cite one recent example from my constituency. A small group of UK Bangladeshi entrepreneurs developed a cargo business with their own investment—only a small amount of money—because they could not get access to resources elsewhere, and it is now a multi-million pound business. That is a small but significant example, because those entrepreneurs did not have access to investment from organisations such as CDC and because it illustrates the profound interest among diaspora communities in investing in their countries of origin to develop the economies of the cities that they come from. Many of their ideas are incredibly innovative, as in my example, and have the capacity to promote investment and connections between the two countries.

Mr Gyimah: I certainly agree with the hon. Lady's comments about focusing on small and medium-sized enterprises. Given the high failure rate, however, especially among small enterprises, does she agree that if we have greater focus by CDC on SMEs, we must accept that it might not have the returns that it has previously achieved?

Rushanara Ali: I accept that point. If CDC wants to be a trailblazer and to encourage investment by others, there must be some way of framing its activities to enable some appropriate risks to be taken. That might involve a special innovation fund to identify potential investments, which could recognise that failure rates are greater with particular kinds of investments such as smaller businesses.

Although innovation journeys in business, technology and elsewhere may attract a large amount of investment, there are often only a small but significant number of successes, but they may generate new sectors. There must be discussion about the level of risk that CDC can take, and it would be helpful if the Secretary of State were to reflect on some of those points and tell us whether particular efforts can be made to recognise that, for example, diaspora and smaller communities have a big role to play in those countries, but that there must be a way of enabling them to invest. The pool of investors is often smaller. Is there a way of pooling investments or collaborating to ensure that more targeted investment from those groups goes to developing countries? Those matters should be explored.

Pauline Latham: Is it not true that diaspora communities invest in and send money back to the communities that they came from, because they know those communities? Trying to get another organisation to co-ordinate how they spend their money might seem to them to be telling them how to spend that money. Would it not be better to leave them to form their own associations to help their own communities, because they often know many people in the area? They are better left to get on with funding in areas that they know and whose needs they know, instead of giving it to someone else to invest. If we are not careful, we might stop them investing at all.

Rushanara Ali: Diaspora communities may be interested in developing businesses that connect between, for example, the UK and Pakistan. They may need advice, support and technical assistance, and they sometimes need access to investment funds to start up a business. There may be areas where they can do that themselves, but my essential point is that opportunities are being missed. We do not want to duplicate or squeeze out direct investments to help families, but second and third-generation British citizens with links to their countries of origin are increasingly interested in investment in and support for business rather than direct support to family members. It is important that CDC looks at opportunities for such investment, which is different from the traditional support to families and friends because it involves putting money into businesses in their home country or city, or the area where they come from.

CDC's business plan, which follows the various reports, including that of the International Development Committee and the Government response, is welcome, as is the general thrust of its focus on economic development, including its fund-to-fund focus, and on poverty alleviation, but we must look closely at where CDC goes next and how it implements the overall vision that it has set for itself, recognising the many issues that have been raised. Those issues include internal practices and how CDC is perceived by the public. Hon. Members have acknowledged that there are still concerns and reputational issues about how CDC is perceived to be using resources,

[Rushanara Ali]

remuneration packages, pay and so on, and how its money is spent. The public deserve the best value for money, as well as transparency and accountability, so that our investments create a genuine space for others to follow. In areas where CDC invests, it creates new opportunities for others to follow, and it acts as a trailblazer and a catalyst. That is the ethos that we all want CDC to achieve. We all want it to succeed.

I again commend the work of the International Development Committee and look forward to seeing CDC thrive and succeed in increasing investment in developing countries, in helping to reduce inequality through economic growth and in making its contribution to reducing poverty.

3.45 pm

The Secretary of State for International Development (Mr Andrew Mitchell): It is a pleasure to appear under your benign chairmanship, Mr Walker, for the first time. I congratulate my right hon. Friend the Member for Gordon (Malcolm Bruce), who launched this debate today, and his Committee on its work not only on CDC, which has been enormously helpful to my Department, but on a range of other matters to which it brought extraordinary expertise and experience as well as energy, when considering difficult and intractable development problems. Secretaries of State do not always agree with Committees on every issue, and that is true of the International Development Committee and this Secretary of State. However, for the record, it is a pleasure to work with such an expert Committee. The Department and its Ministers draw huge strength from the way in which the Committee goes about its business, and I am extremely grateful to all its members for that.

This has been an excellent debate on many of the key issues that the Government are trying to address in connection with CDC. Let me start by emphasising the point that several hon. Members made—that CDC, given the terms of reference under which it has operated in recent years, has done an extremely good job. It has provided an excellent return to taxpayers, and it has increased substantially the funds under management, but my submission is that in development terms it is a greatly under-utilised asset, and needs to be changed.

It is fair to say that some years ago, CDC perhaps had too much development DNA in its work, and not enough financial rigour. Indeed—I hope that this does not cause Labour Members to blush—the then Prime Minister, Tony Blair, was minded to privatise CDC, but that did not proceed. The pendulum has now swung to the other extent, and it is a very strong, financially driven organisation that is not much different from many other organisations that operate in emerging markets. It seems to have lost some of its development DNA, and we need to put that back in the centre so that it has both rigorous financial control DNA, as well as strong development DNA. That is our intention, and I am pleased that it was strongly endorsed by the Committee in its response to our proposals.

It is worth emphasising the point that was made by the Committee's Chair, my right hon. Friend the Member for Gordon, that aid is a means to an end, not an end in itself. The coalition Government have been determined to refocus the development programme so that the aid programme is fuelled by the engine of development—the private sector. Here, I turn to some of the comments made by the hon. Member for Birmingham, Northfield (Richard Burden), who is my hon. Friend in Birmingham, where our constituencies are close together. He asked about the 50% figure for the amount that will be spent through private sector development in India, and for which other countries we were minded to adopt that policy. He also asked me to explain why I saw the private sector as a key means of development, and we had some exchanges on that when I appeared before the Select Committee.

I suspect that, although the hon. Gentleman sees intellectually that the private sector is the engine of development, he may have residual reservations, and sometimes under the bedclothes late at night he may think that it is perhaps the enemy of development rather than its engine. The truth is that if one believes that the private sector is the engine of development, one wants to bring to bear all the available skills in the private sector to try to drive development forward. Some 90% of the world's jobs are created not by Governments but by the private sector. Wealth creation and economic growth empower societies and enable them to lift their citizens out of poverty.

Richard Burden: I do not know what the bedclothes are like in the north of Birmingham, but the Secretary of State is searching under the wrong bedclothes in the south of Birmingham because that was not the question I asked. I wanted him to explain the figure of 50%, as opposed to 40%, 60% or 80%. If there is a logic to that figure, what is it based on? Does it apply elsewhere, and if so, on what is that based?

Mr Mitchell: As I made clear to the Committee, the figure of 50% feels right in the context of India. I suspect that in many bilateral programmes over the years, there will be an increasing role for the work of the private sector as countries move down the path of lifting themselves out of poverty. In Vietnam, for example, we can see how that engine has driven the alleviation of poverty. There is no science to the figure of 50%, but it feels right in the case of India. As I said when I gave evidence to the Committee, it is not an arbitrary target but an aim.

As the hon. Gentleman will be aware, in defending our decision to continue with an aid and development programme in India, it is important to respond to public concern. We must explain that, yes, India is roaring out of poverty, but there are more poor people in India than in the whole of sub-Saharan Africa. Seven and a half times the total population of the United Kingdom live on less than 80p a day, and it is right to walk the last mile with India on development. The aid and development programme is important, and makes up part of the rich tapestry of Britain's relations with India that were so singularly reinvigorated by the Prime Minister's visit last year. Those relations are important and we all—not only people in India but those in Britain as well—have a huge amount to gain from Indian prosperity. For that reason, we decided to freeze the programme, focus on work in the poorest states and redirect a significant part of the budget—up to approximately 50% by the end of the next four years—to pro-poor private sector development. That will create the jobs and prosperity that are essential for India.

Anas Sarwar: I wholeheartedly agree with the case that the Secretary of State makes for aid to India, and there was strong cross-party support for the report on India by the International Development Committee. I want to follow on from the question asked by my hon. Friend the Member for Birmingham, Northfield (Richard Burden). The issue is not about whether the private sector has a role to play in development—that is a given; the private sector is crucial if we are to develop underdeveloped nations. However, if the Department for International Development aims for 50% of its money to be spent in the private sector—as in India, for example—what percentage of that money will go through CDC? If the Department is making direct investment and not using a third-party organisation such as CDC, will that risk the integrity of DFID, which makes untied, direct grants and investments in a bilateral sense, rather than direct investments from which it looks for a return?

Mr Mitchell: I will come directly to that point. CDC investments in India will be in addition to the 50% of the programme funding that we expect to be spent on pro-poor private sector development over the next four years. If the hon. Gentleman will allow me, I will come in a moment to some of the other points that he has raised.

Caroline Lucas: I am sorry to delay the Secretary of State on this issue, but I want to return to the point raised by the hon. Member for Birmingham, Northfield (Richard Burden). The Secretary of State said that the figure of 50% was not arbitrary, but he then said that the criteria were that that figure "feels right", which does sound arbitrary. Will the Secretary of State be clearer about the criteria that led to the discussion and agreement on a figure of 50% for India, and what criteria were used elsewhere?

Mr Mitchell: At the moment, the target exists only in India. I can only repeat what I said to the hon. Lady: the figure feels right; it is not a science and I am not setting an arbitrary target in that sense. It is an aim and as long as we move down that course over the next four years—which I am sure we will—we will see the benefits in terms of what is happening in India and of the effectiveness of our programme.

I know that the hon. Lady has an urgent constituency matter to attend to and may leave before the end of my speech, so I will address the point she raised. She made a number of detailed comments about the nature of the operation of CDC's investment in Nigerian companies against which corruption allegations have been made. I hope that she will forgive me if I draw her attention to the fact that some of those matters are before the courts and I must therefore be careful about what I say in my response. I can tell her, however, that the Department and CDC take allegations of corruption extremely seriously. We have looked at the allegations in exhaustive detail, and I have written in great detail on the matter to the chief executive—I think—of the Jubilee Debt Campaign. I would be happy to share the contents of that correspondence with the hon. Lady, and if she would like me to do that, she has only to say.

Caroline Lucas *indicated assent.*

Mr Mitchell: The hon. Lady is nodding assent, and I will write to her on that basis.

The point I seek to make is that by helping the world's poorest people to create wealth and build up their own assets, we will help them to pull themselves out of poverty, and become less reliant on aid and more resilient in the face of natural disasters. During her excellent speech, the hon. Member for Bethnal Green and Bow (Rushanara Ali) underlined the point that development finance institutions such as CDC should do more to reduce poverty. I completely agree with her. We need to see the new CDC leading the way and demonstrating how other international financial institutions, including the International Finance Corporation, can set a good example. We are pressing the IFC to do more in lower-income countries and particularly fragile states, and to be more demonstrably pro-poor in middle-income countries. There is no difference of opinion between the Front-Bench spokespeople on that point.

At the heart of the approach that we are discussing is a reformed and revitalised CDC that will be a catalyst for change in the most challenging environments where the transforming power of successful financial investment is most needed. In that context, the previous six months have seen an enormous amount of activity, and if I may, I will remind the Committee of what the Government have been doing. In October 2010, I informed the House of the Government's decision to reconfigure CDC to boost its development impact, and a public consultation was set up as part of that process. In March this year, the Committee published its report on CDC. The Government responded on 4 May, welcoming that report and agreeing with the vast majority of its recommendations. On 7 June, I reported to the House that the Government and CDC had agreed on and published a new high-level business plan.

In his opening remarks, the Chairman of the International Development Committee stated how important it was that the Department should not be too distant from CDC. He expressed the view that the Department had previously seemed distant, although the two buildings are only about 300 yards apart. I completely agree with the right hon. Gentleman, and we are intent on rectifying that within the important confines that Ministers and civil servants should not pick winners or make decisions on individual investments. They are, however, entitled as the 100% shareholder in CDC to express a clear understanding of the direction in which CDC should be moving. That is what we are doing.

Malcolm Bruce: I take the Secretary of State's point about Ministers, but what about departmental staff and CDC staff who work together, particularly in bilateral areas? Our experience in the past is that CDC is never mentioned during programmes of visits to other countries. I hope that that will not be the case in the future.

Mr Mitchell: The right hon. Gentleman is absolutely right. We will, I hope, see secondments between the Department and CDC in the future, and we are intent on promoting much closer involvement, including at country level. When I first visited India, I, too, was struck by the distance between the Department and CDC, although it is fair to say that, such is the quality of the staff that we are fortunate enough to have in

[Mr Andrew Mitchell]

India, that is rapidly being rectified. The Chairman of the Select Committee will agree that that is a most important matter.

In the early part of his remarks, the Chairman mentioned the importance that the Committee attached to the role of the diaspora and, in particular, to remittancing and related matters. On page 2 of the Government response to the Committee's report, we are clear that making intelligent and innovative use of that should be something that we progress, and we have every intention of doing that.

I do not want to waste the valuable opportunity presented by today's debate by repeating the details that I have already given the House. Instead, I want to remind hon. Members of the broad thrust of the changes that we have made to CDC—changes that reflect the responses to the consultation and many of the comments made in the Committee.

Under its new business plan, CDC will become a pioneering investor—the most pro-poor investor in the world. As members of the Committee made clear, there have been too many examples of CDC behaving like any other emerging market private equity fund. I noticed that on one occasion CDC was the seventh investor in a fund, which does not suggest a great deal of pioneering. What CDC has that the market does not have is the ability to deploy patient capital, which does not require the same returns as are returned by the market. It can take a much longer view. That is one of CDC's unique selling points, and it is extremely important that it is deployed.

CDC's focus will be on development impact rather than corporate profitability. It will channel all its new investments into the poorer countries in sub-Saharan Africa and Asia, where more than 70% of the world's poorest people live. It will become bolder in its approach to innovation and risk, accepting higher financial risks where those are justified by greater development benefits. In other words, as I said, it will be a patient investor.

Anas Sarwar: I agree wholeheartedly with the suggested reforms for CDC. The Secretary of State rightly mentions the fact that CDC will have to make more risky investments. If CDC made more risky investments and did not get the returns that it hoped to get, would the Department be willing to put further funds into CDC to protect it?

Mr Mitchell: The hon. Gentleman asks an important question. We have taken nothing off the table in that respect. I will come on to why the time to deal with that point is when the new chief executive has been appointed and the business plan for CDC under his or her direction has been set out.

A number of members of the Select Committee raised the overuse of private equity funds by CDC in the past. However, ManoCap, for example, which is a brilliant organisation and fund in Sierra Leone, run by Tom Cairnes and his colleagues, is highly developmental. Under its new approach, CDC will support pioneering equity investment and will increasingly also deploy other tools, including lending, guarantees and co-investment, but they will be introduced carefully and over time.

In addition, my hon. Friend the Member for Stafford (Jeremy Lefroy) and the hon. Member for Bethnal Green and Bow mentioned the position of CDC in relation to SMEs. It is worth making it clear that CDC is already one of the major backers of SME funds, such as ManoCap and GroFin, and it will do more. Last November, it committed €8 million to a new SME fund based in west Africa. I hope that the hon. Lady will feel that the direction of travel in that respect is also a good one.

Following the changes, CDC will no longer work exclusively through private equity funds managed by others and, as I have said, it will offer loans as well as equity financing. It will become more transparent in its dealings, so that taxpayers and the people whom we are trying to help can see where and how the money is being spent. It is already publishing more corporate and investment data on its website, and more of its evaluations will be carried out independently.

As I mentioned, DFID will work more closely with CDC, not only at country level but at the centre. CDC's business plan will be kept under regular review, and it will report annually to my Department against published targets. DFID will not interfere in CDC's investment decisions, for the reasons that I explained, but it can offer valuable information and expertise from a development perspective.

The issue of remuneration was raised. Pay and bonuses will be brought down to a level that is fair and appropriate but not excessive. I am pleased to be able to tell members of the Select Committee that the CDC board has already cut bonus levels by 50% this year.

Anas Sarwar: I thank the Secretary of State for giving way again; I am sorry to be a nuisance. He rightly mentions that CDC will report every year to the Department. Will that process include transparency about what profits are made, and what taxes are paid, in each country?

Mr Mitchell: The hon. Gentleman, despite his comment, is never a nuisance. If he bides his time, I will come directly to the point that he has raised.

Once the new chief executive is in place, the Government will decide how to restructure pay. We will ensure that the new remuneration framework links performance to development results rather than simply profit. I was asked a number of questions about how CDC would deliver that new agenda. I expect CDC to start to make rapid progress in a huge number of different directions once the new chief executive is appointed. The head-hunters charged with finding the person for what I have described—accurately, I hope—as one of the most interesting and exciting jobs anywhere in the financial world have advised me that they have been overwhelmed by an incredible response from highly talented people. We all look forward to seeing the result of that process.

In addition, we have already reinforced and strengthened the board of CDC, which has managed in the past to attract a very high calibre of expertise. Once the new chief executive is appointed, he or she will be able to take the wider remit that we have agreed with the board for the work that CDC will carry out in the future and ground it with much more detail. He or she will also be able to start to recruit the team who will carry out that important activity.

We want CDC to become the most successful and the best development finance institution in the world and to blaze a trail and set an example that others will follow. As the Chair of the Select Committee said, the organisation is extraordinarily attractive both to those who are coming to the latter stages of their business life, who perhaps have been successful and made a great deal of money and want to put something back—they can bring huge expertise to the work of CDC—and to younger people who perhaps do not want to work on a production line in the City of London but want to leave a footprint in the sand and to make their contribution at this time when so much can be done to alleviate poverty—to make their contribution to the workings of CDC and to the exciting propositions that will undoubtedly come forward for them through the work that CDC is doing. Getting together that team, developing the resources required by CDC and motivating and leading the team is one of the key jobs that I hope the new chief executive will take forward.

The CDC board has responded willingly and constructively to the changes. The reforms answer directly the criticisms that have been made of CDC and the concerns voiced by the Government and the Select Committee. They make CDC a far more effective tool in the Government's development armoury. I need to make it clear that quite a significant chunk of CDC's capital is locked up in binding legal contracts for a number of years to come, so reform in that respect will take place over time, but I and the board are committed to making it happen.

I now pick up on a couple of other points made during the debate. The Committee Chair and my hon. Friends the Members for East Surrey (Mr Gyimah) and for Stafford made important points about CDC's role in developing agriculture. I completely agree with what they said. Agriculture is crucial to our efforts. DFID is highly active in supporting agriculture through research and development and value-change development, and in many other ways. I think particularly of the work that we are doing with the World Food Programme in Karamoja in northern Uganda, a food-stressed part of the world where people have regularly needed support and food aid; we hope that it will become self-sustaining so that they will not need such aid in future.

When investing in agricultural enterprises is the best way to generate sustainable jobs and income for poor people, CDC will certainly consider doing so more than it has in the past. In many parts of the world, one of the best ways of helping people in rural areas is to generate employment in non-agricultural sectors. Although CDC will consider investing in agriculture, it will also be helping to create off-farm enterprises and businesses in other sectors.

I turn to the important question on transparency asked by the hon. Member for Glasgow Central (Anas Sarwar). He wanted to know whether the Government would ask CDC to publish data on all countries in which it works. CDC will shortly be publishing a new disclosure policy. It will be substantially more transparent, publishing significantly more data on the businesses in which it invests, on its fund managers, on the impact of investment country by country and on taxes paid. If, for some reason, it cannot disclose the information that it is asked for—perhaps for reasons of commercial confidentiality—it will be incumbent on CDC to explain why.

Anas Sarwar: I thank the Secretary of State for giving way again. Paragraph 60 of the report recommends that

> "CDC should follow standards of best practice. By doing so, CDC could raise standards across all DFIs. The tax payments made by CDC's fund managers and investee companies should be transparent. They should be published annually on a country-by-country basis."

Does the Secretary of State broadly agree with that statement? Will the code that he mentioned include other investee companies?

Mr Mitchell: We should wait for the code to be published, but when the hon. Gentleman sees it he will realise that we are at precisely the same place. I hope that it will win his approval.

The hon. Member for Bethnal Green and Bow asked me about the monitoring of CDC's development impact. As I indicated earlier, it is important that CDC's work should be judged by both its development impact and its financial returns. No one is in the business of wanting it to support unprofitable enterprises. Monitoring CDC's achievements will show why it is of such great importance that it makes a profit, but I hope that the hon. Lady will agree that we are becoming better at demonstrating both aspects. We are pressing hard for CDC to come up with proposals on this, and it is being supported with strong advice from development experts in my Department. CDC is committed to more than 50% of evaluations of its investments being done by independent evaluators.

I have answered my hon. Friend the Member for East Surrey on getting the right skills in CDC, but I would like to add that we have appointed someone to head CDC Innovation, a new CDC team, to consider frontier pioneering opportunities. However, as I have indicated, the real momentum on that front will come after the appointment of the new CEO.

I hope that I have covered most of the points raised in this debate. I again acknowledge the important role played by the Committee in the development of CDC. Its thinking has helped shape CDC's new business plan, and I greatly value the expertise that the Committee has deployed in helping us all to take these developments forward to the best possible effect.

4.14 pm

Malcolm Bruce: I thank the Secretary of State for his full response to the debate and also all hon. Members who have participated. I thank my Committee for its work in producing the report.

I do not wish to detain the Chamber, other than to wish the Secretary of State well in reforming CDC. On behalf of the Committee, we look forward to an early meeting with the new chief executive officer, albeit not necessarily formally. The Committee will be anxious to have an exchange of views with the new CEO and the executive staff so that we can interact in a mutually beneficial way. I hope that the Secretary of State regards that as a perfectly reasonable wish for the Committee. CDC has the potential, together with DFID, to become one of the most innovative pro-poor investment opportunities in developing countries. We very much look forward to seeing that development.

I thank the Secretary of State personally for the energy with which he is driving things forward, for his vision for maintaining the successes and advantages

[Malcolm Bruce]

that are built into CDC, and for enabling it to be innovative and flexible in ways that I hope will be of great benefit to poor people throughout the world.

Question put and agreed to.

4.16 pm

Sitting adjourned.

Westminster Hall

Tuesday 19 July 2011

[JIM DOBBIN *in the Chair*]

School Food

Motion made, and Question proposed, That the sitting be now adjourned.—*(Miss Chloe Smith.)*

9.30 am

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to see you in the Chair, Mr Dobbin. I thank Mr Speaker for allowing this debate on school meals, because it enables me to highlight some of the more regrettable decisions that the coalition Government have taken over the past year. Of course, our country faces a tough financial situation, but surely there is also a case to be made for the wider provision of and better quality school meals.

If I may, I shall digress at the start of my contribution and refer to a piece of school work that I did back in 1982, when I was in year 4 at Russell Scott primary school. I dug out my old school work because Russell Scott is currently commemorating its future remodelling by having a display of historical artefacts celebrating the school's history from 1882, when it was founded, through to the present day. Not many primary schools in Tameside can lay claim to an MP having attended the school, but Russell Scott can lay claim to two. The former Deputy Speaker of the House of Commons, Michael Lord, and I are both former pupils of the school. Although we are from different political traditions, Russell Scott must have done something right.

One piece of my work was about people who do important jobs and included short pieces of writing on the importance of bin men, ambulance drivers and nurses. Perhaps in a nod to my future role as a shadow Transport Minister, I also mentioned train drivers and bus drivers. However, I also talked about the school cook, which relates to today's debate. Here is an extract from what I wrote:

"Our school cook is Mrs Pomfret. She has a very important job. She has to cook a warm and wholesome nutritious meal for hundreds of pupils at the school every day and make sure it is ready for us all in time for dinner time."

I pay tribute to the Mrs Pomfrets across the country who, day in and day out, make sure that children get a warm, nutritious, wholesome meal. That is the only warm meal many children are likely to get.

There have recently been positive changes in our attitudes to the healthiness of school meals, which is partly thanks to the high-profile campaign involving celebrities such as Jamie Oliver. Indeed, so successful was his campaign on nutritional standards that, in 2007, the Labour Government introduced regulations to ensure that the food and drink served in schools are of high nutritional quality. The changes since then have been very significant for the food served in our schools. The food provided to children who choose school meals is more often than not fresh, nutritious and locally sourced. That is a far cry from the profit-driven mentality that previously dominated school meal provision and that led to children eating some very poor meals indeed. So we did a great deal to improve the provision of school meals.

Let us not forget that investment in our school infrastructure also enabled a number of schools significantly to improve their catering facilities, which meant that the service could increasingly be brought back in house. However, perhaps the previous Labour Government's most important initiative was the extension of eligibility for free school meals. We had committed to extend the eligibility of free school meals to children from households with an income below £16,190, which is considered to be the poverty line. If such a policy had been introduced, it would have benefited an estimated 500,000 children and lifted at least 50,000 out of child poverty.

We built on the work done in Kingston-upon-Hull as a first step and introduced pilots of universal free school meals in Durham and Newham. We extended eligibility in Wolverhampton and a further five pilots were planned for other local authorities across the country. That was all ended by the coalition Government, who have deprived those children living in poverty of the entitlement to what might be the only hot, healthy meal that they get each day.

From April 2011, the coalition Government also lifted the ring fence on the school lunch grant, rolling the funding into schools' baseline allocations. The school lunch grant was introduced by Labour as a ring-fenced grant to increase the number of children eating healthy school meals by helping schools and councils keep down the price of a school lunch. Without the ring-fenced grant, prices are expected to increase as schools struggle to subsidise rising ingredient prices. Indeed, an investigation by *The Independent on Sunday* found that prices have already risen by 10% this year. Worse, research for the School Food Trust shows that a 10% increase in the price of school meals triggers a corresponding fall in the number of children having them of between 7% and 10%. By taking away the ring fence, the coalition Government have made it harder for schools to provide healthy and nutritious meals that take advantage of economies of scale.

It is clearly disappointing that the Government are choosing to limit free school meals, rather than widening their availability to all children. That is surely a step in the wrong direction, not only because of the health and educational benefits to pupils, but because it penalises the least well-off in society. We still have concerns about those most in need getting access to free school meals. What is happening with the Government's plans to change eligibility for free school meals? We know that the Government have commissioned the Social Security Advisory Committee to review passported benefits such as free school meals under the proposed universal credit system, but the final decision is not expected until next year, which is creating uncertainty for the many families that currently benefit from free school meals.

What assessment have the Government carried out of the suggestion made by my right hon. Friend the Member for East Ham (Stephen Timms) in the proceedings of the Welfare Reform Bill on Report that free school meals could be included as a separate element of universal credit and tapered off as family income increases? Instead of getting cash, families could receive support via an

[Andrew Gwynne]

electronic card, which could be used only to pay for school meals. What assessment have they made of that initiative?

It is worth noting that take-up of free school meals by those who are entitled to them unfortunately remains low, because of stigma, complexity and the constant movement of some families in and out of entitlement. Indeed, it is a shame that one in five children who are eligible for free school meals does not receive them. Entitlement to free school meals usually ends when a family moves off benefits and into low-paid employment. That gives rise to an extra cost of approximately £300 a child per year just when families are trying to make themselves better off through work. It is shocking that the majority of children in poverty have at least one parent in work, so the majority of children who live in poverty do not benefit from free school meals. That is disappointing considering that the coalition's stated aim is to decrease the number of people on benefits and increase the number of people in work. Yes, that is a worthwhile aim, but it will never be reached with their increasingly bad and ill thought-out policy decisions. How can increasing the number of children living in poverty in 2011 help the Government to meet their 2020 target for eradicating child poverty?

Lilian Greenwood (Nottingham South) (Lab): I am delighted to be able to speak in my hon. Friend's debate. He is making some important points about the value of free school meals. Does he agree that free school meals are important not only for the alleviation of poverty, but for dealing with issues surrounding social mobility? If children have a good meal at school, it helps them to concentrate and to improve their social skills and their ability to function in the classroom. They can therefore benefit from the education that they are in school to receive.

Andrew Gwynne: My hon. Friend is absolutely right. Indeed, that was the previous Labour Government's conclusion, which was based on schemes such as those piloted in Hull by the former Labour council. That scheme was scrapped by the incoming Liberal Democrat council, which thankfully has been kicked out of office—and rightly so if those are its priorities. Such schemes were also piloted in the city of Durham. The previous Labour Government had also found my hon. Friend's point to be true, which is why we were going to extend the provision of free school meals.

Yes, the deficit is an issue. I sometimes wish that Government Members would change the stuck record on the deficit. We knew, back when we were in office, that there was a looming deficit, which is why we had a deficit reduction plan. My right hon. Friend the Member for Morley and Outwood (Ed Balls), whom I had the great privilege of serving as Parliamentary Private Secretary when he was Secretary of State for Children, Schools and Families, probably knew better than anyone else the requirements of deficit reduction. The real issue is our priorities in dealing with deficit reduction. Of course, we had a credible plan to halve the deficit in this Parliament. Even with that deficit reduction plan, we were going to extend the entitlement to free school meals beyond the pilots.

At the general election, the Minister also had a plan to halve the deficit. However, her priorities changed when she entered the Government, because she has now signed up to a neo-conservative deficit reduction plan to eliminate the deficit. Of course, that raises issues of priorities in her Department. Eliminating the deficit means that those pilots for free school meals cannot now take place.

Diana Johnson (Kingston upon Hull North) (Lab): My hon. Friend is making an excellent speech this morning. Are we storing up trouble for the future by not investing in our young people now and making sure that they are eating healthy school meals, by not investing in the free school meals pilots and by not looking at the evidence? The long-term implications are that the health of the nation will not improve and that the educational achievement of some of our children will not improve. The Government have failed to address that issue, because of their narrow focus on deficit reduction.

Andrew Gwynne: My hon. Friend is correct, which allows me to move neatly on to the next part of my contribution. As she has rightly said, showing and informing children about nutritious and healthy meals will clearly help in the battle against childhood obesity. Education and the health of our children are hugely important. It is estimated that obesity and associated conditions such as diabetes cost the NHS £3.5 billion a year, and that figure is set to rise. This is therefore a cost worth paying to save money in the long run. Even at a time when the deficit needs to be cut, we cannot forget the social implications of the Government's decisions. If we want to reduce the attainment gap, as my hon. Friend the Member for Nottingham South (Lilian Greenwood) has said, we must ensure that all children at school are given an equal chance. We know that free school meals contribute enormously to reducing attainment gaps, because they help children from low-income backgrounds, who may not have good nutrition, to concentrate more in the classroom.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this subject to the Chamber. He has clearly outlined the issue for those in the poverty trap, which is part of the cycle. Another issue is those of perhaps a different build, who are eating the wrong foods. He has indicated that education can address that issue. How does he see that balance being achieved between those who need that square meal every day and those who are, perhaps, eating the wrong food?

Andrew Gwynne: The hon. Gentleman makes a good point. Education is the key here. People need to learn about nutrition, and what is right for one child is not necessarily right for another. I hope that one of the long-term benefits of a scheme such as Sure Start is that those families start to understand the nutritional value of different foods and the need to have a balanced diet, with the need for healthy eating as part of that balanced diet, alongside other factors such as physical education and physical activity. There is no magic wand. There is no answer to one aspect. I am really concerned about some of the cuts to Sure Start that we are starting to see, because some of those very early age healthy eating programmes are now being targeted by local authorities facing the squeeze on their budgets. Some of the work

done with very early years, which would benefit through to school age and beyond, is starting to be scaled back, too.

One of the perks of this job, as I am sure that you are aware, Mr Dobbin, and as all hon. Members from both sides of the House will agree, is the chance to visit schools in our constituencies. I have spoken to not one head teacher or teacher in either the Tameside or Stockport part of my constituency who is not tremendously supportive of the free school meals programme, because they know just how much it benefits the children whom they teach.

Lilian Greenwood: I wonder whether my hon. Friend faces a similar situation to the one that I have in my constituency, where schools often introduce breakfast clubs to encourage children to eat a healthy meal not only at lunchtime, but first thing in the morning. We have an excellent scheme in Nottingham, with support from Business in the Community alongside local businesses, that provides free food and delivery services. It is making a real difference in schools and is very much welcomed by teachers and head teachers.

Andrew Gwynne: Absolutely. It is often said that breakfast is the most important meal. For many children, and for a variety of reasons—perhaps the parents are in a rush to get to work, so have to drop them off at school earlier than the starting time; or because of the lack of a family income, they do not necessarily have the money to pay for a breakfast for their child at home—breakfast clubs have been a welcome initiative not just in my hon. Friend's constituency, but across the country. Teachers in my constituency tell me that breakfast clubs make a huge difference to concentration—the very thing that my hon. Friend talked about in an earlier intervention. Rather than pupils sitting in a classroom with a rumbling stomach and with their mind on other things, they are now satisfied, have had their first meal of the day and can concentrate on being taught.

The Tameside part of my constituency has taken the free school meals initiative one step further. It is recognised that parents, and often those most in need, feel a real stigma in applying for free school meals. Despite savage Government cuts to Tameside council, providing nutritional and healthy school meals remains an important priority for the council. In fact, given the economic situation and changes to the benefit system, more families in the borough are falling below the recognised poverty line. That often impacts directly on the quality of the meals that children get to eat at home.

More than 8,000 children are currently in receipt of free school meals in Tameside. The council is in the process of radically simplifying how the parents of children entitled to a free school meal can apply for the benefit. Three years ago, the council was the first in the country to introduce a fully online application and eligibility checking system for free schools meals. The system replaced the old paper-based process and led to savings in back office administration and savings in time for the parent. Using the online system, 98% of applications for free school meals made before 11 o'clock in the morning were approved and the child given a free meal the same lunchtime. The old paper process took a week to administer.

Tameside council now wants to improve the system further and, this September, will begin systematically contacting every family in the borough that is eligible but not yet claiming a free school meal and offering them that option for their children. More than 500 families are entitled to a free school meal for their child but are not yet claiming and, in the vast majority of cases, those are families living in the most deprived communities and on the lowest household incomes.

Another improvement to the free school meals process is being introduced. In future, entitlement to free school meals will remain in place for the duration of the time that the child is in school, until they are 16 years old, unless the parents' circumstances change, in which case the entitlement will cease automatically. That means not having regular renewals, which take time to administer and are inconvenient for the parents. The council will use the information that it already holds to ensure that, when family circumstances change whether someone is entitled to a free school meal, it will automatically respond appropriately and contact the family to let them know.

Tameside free school meals are among the best quality in the country, with the primary school catering service retaining the Hospitality Assured quality award for the eighth successive year. I have to say that school meals were not bad back in 1982, when Mrs Pomfret cooked them. Anyone who knows me well knows my love of food, and I probably owe a great debt to Mrs Pomfret for that as well.

The greatest advocates for the free school meals programme are the children. It encourages children to eat healthily and to develop social skills. Children like being able to sit down with their friends and teachers to have their lunch. We have also heard about the importance of the socialising and behavioural gains in schools when more children eat lunch together. Children learn to converse and to look out for one another, as well as courtesy and table manners. Importantly, children who are having lunch in school are not hanging around the takeaway at the end of the road—something of particular significance for secondary schools.

We can do other things as well. Initiatives such as the breakfast clubs mentioned by my hon. Friend can make a huge difference. They help with children's concentration and break down some of the barriers in schools.

I have further concerns about nutritional standards in schools. In a written reply to my hon. Friend the Member for Livingston (Graeme Morrice), a Minister—not the Minister present today—confirmed that the new academies and free schools will not have to abide by the regulations brought in by the previous Labour Government, thus the food that they provide will not need to be of a high standard. I am, frankly, appalled. Another concern is that Ofsted will no longer be required to ensure that nutritional standards in schools still under local authority control are adhered to, which can only have a negative impact on nutritional standards in our schools.

It is also important to consider school lunches in the context of the broader curriculum. The previous Labour Government announced in 2008 that, by the start of 2011, every 11 to 14-year-old would have 12 hours of compulsory practical cookery lessons, with a £2.5 million fund to provide fresh ingredients for free school meals and to support schools to provide appropriate facilities and to recruit and train teachers. However, the commitment to have 12 hours of food and cookery lessons to start in September 2011 was scrapped by the coalition Government, and the future of food education in the key stage 3

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curriculum is in doubt, given the Government's review of the primary and secondary curriculum and the continued lack of commitment from Ministers. Even the Government's own Back Benchers—some 20 or so Conservatives and Liberal Democrats—have signed early-day motion 1816, which was tabled by the hon. Member for Richmond Park (Zac Goldsmith) and calls for

"the Department for Education to guarantee provision for every secondary school pupil to receive at least 24 hours of practical cooking lessons at Key Stage 3 in its review of the National Curriculum."

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend on securing this debate at such an appropriate time. I agree that young people need to be given the skills to prepare food and meals adequately and effectively. Does he agree that one of the effects of the national curriculum, when it was brought in under Mrs Thatcher's Government, was the destruction of food education to the level of, basically, making pizza boxes, thus fuelling the disposable food culture, which has led to the obesity that we now see? It is time that we got back to giving people good home cooking skills, which can take them through their lives effectively.

Andrew Gwynne: I agree absolutely. When I was a pupil not at Russell Scott primary school but at Egerton Park community high school in Denton—during the Government of the noble Baroness Thatcher—we did indeed make pizza in home economics. Those lessons were probably the only opportunity that a lot of my school colleagues had to cook. I was more fortunate because my mum and my gran, from an early age, taught me a lot of the cooking skills that I have today. I make a superb Victoria sponge cake, thanks to my gran, who was the best baker in the world, and my custard cream biscuits are to die for—perhaps, Mr Dobbin, I shall bring some in after the recess and we can all share them. It is absolutely important that children learn how to cook, not only cakes and biscuits but meals—my Scotch broth isn't bad either, I have to say.

Jim Dobbin (in the Chair): The hon. Gentleman is trying to curry favour. *[Laughter.]*

Diana Johnson: I am listening with great interest to my hon. Friend talk about his culinary skills, but I wonder whether we should recognise in particular that being able to cook a nutritionally balanced meal is a basic life skill that everyone should have. School and education should instil such basic life skills in young people, as much as the ability to read, write and add up. Basic skills such as cooking should be on the curriculum.

Andrew Gwynne: I absolutely agree with my hon. Friend. Children should learn not only how to cook but about the nutritional value of the food being cooked and about where it comes from. That is not just from Morrisons in Denton—whether my Denton or the one in the constituency of my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell), which also has a Morrisons. Food comes not only from the supermarket but from the ground. In recent years, some brilliant work in schools has meant that children have learned exactly where the food that they eat comes from. My children know only too well that eggs come from chickens, because we have five chickens at home, so we have an abundance of eggs, which comes in handy for baking.

There is an opportunity to link lunch to education about diet, nutrition and cooking. Many schools have used the extension of the meals programme to bring more parents into school, so that they and their children can learn to enjoy cooking healthy meals together. However, there are concerns about the School Food Trust, which was established in September 2005 as a non-departmental public body—I know such bodies are not fashionable these days—to monitor school food standards, to drive the uptake of free and paid-for meals and to advise local and national Government on food policy. Under the Public Bodies Bill, the trust will be hived off into a charity and community interest company, and local authorities or schools that seek advice will have to buy in its services, as indeed will the Department for Education.

A significant concern is that big cuts to local authority budgets and pressure on individual school budgets will mean that they cannot afford to pay for ongoing guidance and advice, or that they will have to prioritise other schemes. That is another worrying development about the quality of food to be served in our schools.

Before I finish, I have a few questions for the Minister. How will the Government help parents back into work if they do not consider the need for free school meals and other such programmes? What will the Government do to improve health inequalities among children if they do not use free school meals and education to alter the behaviour of children and families? Why have the Government, who said that they are committed to fairness and to alleviating child poverty, started by attacking families on low incomes? Importantly, how do the Government propose to close the attainment gap and reduce inequality without considering nutrition in schools?

It is clear that the coalition Government are undermining the hard work done by the last Labour Government and campaigners to improve the take-up and quality of school meals. That is especially disappointing because they had previously pledged to lift children out of poverty by 2020, and little of what they have done so far has moved us closer to that pledge. I worry that that will result in long-term increases in obesity, and ever-increasing inequality in health and educational outcomes between the richest and poorest in society. Surely, no one wants that.

10.1 am

Roberta Blackman-Woods (City of Durham) (Lab): I thank my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) for securing this debate, and for making a stunningly good speech. I want to concentrate on one aspect of school food: universal free school meals, particularly for primary school children. It is important, as my hon. Friend said, to keep the debate alive in the face of an uncaring Government, which is evidenced this morning by the complete absence of hon. Members on the Government Benches to engage in this debate. That is unfortunate, because the road that the Government are taking is likely to have an adverse impact on children's health, particularly those from the poorest communities.

The Children's Food Campaign notes that healthy school meals are vital to help to tackle the UK's alarmingly high and rising levels of obesity and diet-related illness, and states clearly that good food habits are established in childhood. That is not rocket science. We know how to do that, and I draw the Minister's attention to the experience of the universal free school meals pilot in Durham. During the two years of the pilot, 235 schools participated and, typically, around 30,000 free school meals were served daily. The average take-up against the roll was about 86%, but because of pupil absences on some days, it was actually much higher. Most schools reported 100% take-up at some stage in the process. The pilot was absolutely and hugely successful in terms of take-up.

It is interesting to consider how the pilot worked, and I want to say at the outset that Durham county council was fantastic in putting the scheme together. It committed £4 million of capital funding to upgrade the kitchens in every school so that meals were produced locally in the school. It also looked at its procurement practices so that it could source food locally, and achieved really high standards of healthy school meals because it could buy in bulk. Such aspects of universality in the provision of free school meals often do not receive much consideration. The county council did an excellent job, but so did the schools, which embraced the scheme wholeheartedly.

When my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) was a Minister, she visited Durham, and saw with me the incredible effect that universal free school meals had on schools. It changed the whole culture of the school, not just how they felt about food. The really good schools managed to integrate what was happening with free school meals into the curriculum, and ran that alongside an active sports policy.

Diana Johnson: I remember fondly my visit with my hon. Friend. One thing that struck me was that to engage with parents and to encourage them to embrace free school meals, there were taster evenings and taster sessions when parents could come in and see what their children would be eating. There was a real sense of the whole community being involved and seeing that the idea was a good one. Will my hon. Friend comment on how things are going now, and whether those taster sessions are continuing?

Roberta Blackman-Woods: Indeed. I am grateful to my hon. Friend for making that point. I will say something about how parents have been involved with the process, because obviously it was important initially to get parents signed up, which is why schools had taster sessions. As the pilot progressed, what schools felt was really important. When they sorted out with children how to have a balanced and healthy diet by choosing different things on different days, and ensured that salad or vegetables and a balanced meal were always available, they decided to get the parents to sign up to whatever meals the children were choosing. That was important, because parents across the board—given that the take-up was 100%, that meant all parents—had to engage with what their children were going to eat in school, and to talk to them about the importance of a balanced meal. That required the schools to undertake work with parents.

That is what we mean about changing the culture. We know how to do it, and the evidence exists. My hon. Friend and I were able to see that before our eyes, and indeed the schools managed to develop, probably inadvertently, evangelism in the children, who were able to explain carefully to us how the food system worked in their school.

Jim Shannon: The United Kingdom is a multicultural society where ethnic groups introduce their own food ideas. In the pilot schemes, was the hon. Lady able to introduce some of the benefits of other foods to make food exciting?

Roberta Blackman-Woods: That is an important point. Schools in Durham managed to do that, but perhaps not as effectively as schools in Newham, and it was an important aspect of the pilots, as the evidence suggests. That is what I mean when I say that schools that embraced the scheme were able to add the subject to the curriculum and use it to talk about other cultures, and so on.

I hope that I have made the point that the pilot was really successful. It had started to change the way in which schools, parents and young people think about food and exercise. I saw with very great sadness that the Government's priorities meant that the first thing they did on taking office was cancel that pilot programme. The Minister has some questions to answer about that. We know that the Liberal Democrats have form on such matters because when they took over Hull city council, the first thing they did was to cancel the free school meals programme. That showed an extraordinary set of priorities, which I simply do not understand.

If the Minister wishes to find allies in the coalition Government, she might like to ask her fellow Ministers why it is that private schools ensure that their children have a healthy, usually hot, school meal at lunchtime. The coalition Government are good at emulating the private sector across the public sector, so how come that aspect of the private sector, which could easily be transplanted to public sector schools, is not on their list of priorities? Instead of concentrating on the needs of children and families, the Government—really quite staggeringly—lifted the ring fence on the school lunch grant from April this year. That money now has to compete with all the other priorities currently facing hard-pressed schools.

Such concerns lead me to ponder the fact that the Labour party has to make a tough call; we have got to win the argument about the importance not only of healthy school meals, but of universal free school meals at primary school level. There is no point in having healthy school meals if no one takes them up or if they are too expensive for most parents to afford, but unfortunately, that is the route down which the Government are taking us.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): My hon. Friend makes a strong argument. In Newcastle upon Tyne North, which is to the north-east of her constituency, figures have shown that the take-up of school meals has fallen over the past 12 months. That bucks the national trend and causes me anxiety about the educational attainment of those children in my

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constituency who require and depend on a decent hot meal during the day. Does my hon. Friend think that the Government's policies will help or hinder that concern?

Roberta Blackman-Woods: I thank my hon. Friend for raising that point; it is clear that the Government's policies will hinder any progress that has been made. When contributing to the evaluation, many head teachers in Durham schools made the point that a hot meal at lunch time meant that they saw improved levels of concentration in the afternoon. As my hon. Friend the Member for Nottingham South (Lilian Greenwood) pointed out, that is essential for helping to narrow the attainment gap.

Nic Dakin: My hon. Friend makes a powerful point about the value of a hot meal for all primary school children and how that impacts on their attainment and success, and she draws attention to practices in the independent sector. The Government are fond of making international comparisons, particularly with countries in Scandinavia where there is a long-held tradition of free school meals in the primary sector. Does my hon. Friend believe that that adds further power to her argument?

Roberta Blackman-Woods: My hon. Friend makes an excellent point. Indeed, my hon. Friends the Members for Kingston upon Hull North and for Washington and Sunderland West (Mrs Hodgson) decided to embark again on a crusade for free school meals once they had visited Sweden and seen how the system worked. Teachers in Sweden scratched their heads in complete incredulity when we said that children at schools in the UK do not receive a free hot meal in the middle of the day. Those teachers also talked to us about the social skills that their children develop by having a meal in the middle of the day, and by sitting down with their teachers and having a chat about what is going on in their lives. It is an excellent source of information for students and teaches them important social skills. As my hon. Friend the Member for Kingston upon Hull North will know, we saw children in Durham learning in that way and the start of such a process, but alas, because of the policies of the coalition Government, that may not continue.

I will conclude by saying that it is a matter of some anxiety that the issue of school food is not higher up the political agenda. When I open magazines and see the rubbish and tittle-tattle about celebrities on which female journalists—and other journalists—seem to spend their time, I am staggered that they do not understand how important it is for the development of our children and their future to have good quality school meals that are available in primary schools at no cost. In addition to challenging the Minister, I wish to challenge those journalists to start writing about things that are important for families in our communities, and not spend their time on tittle-tattle.

10.16 am

Diana Johnson (Kingston upon Hull North) (Lab): I start by congratulating my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) on his tour de force on school food. By the end of his contribution, I felt as if I had been at primary and secondary school with him and knew Mrs Pomfret well. Listening to him talk about Victoria sponges and custard cream biscuits, it is clear that food is an important part of my hon. Friend's life. We all recognise that a love of good food, and an understanding of how it helps us function well and do our best, is important.

I also pay tribute to my hon. Friends the Members for City of Durham (Roberta Blackman-Woods) and for Washington and Sunderland West (Mrs Hodgson). They have led the way in Parliament over the past few years in ensuring that Ministers, and the Labour party more generally, are made aware of the importance of good school food, and why that fits with our agenda for improving educational attainment and addressing health issues, such as obesity. I congratulate my hon. Friends on their work, and I thank them for coming to Hull a couple of years ago to see what happened there and to talk to head teachers. They also talked to Professor Colquhoun at Hull university, who is the academic who was tasked with evaluating the scheme in Hull. It was useful and helpful for my hon. Friends to have that time in the city. We have already heard from my hon. Friend the Member for City of Durham, and I am pleased that we will soon hear from the shadow Minister, my hon. Friend the Member for Washington and Sunderland West.

I want to say a few words about the Hull experience and about why, from the point of view of a constituency Member of Parliament, what happened there is instructive. One of my big concerns about the coalition Government is their failure to look at evidence and make policy on the back of that. I am also concerned about the renaming of the Department for Education. It used to be called the Department for Children, Schools and Families, which recognised that education does not stand on its own but is part of the whole experience that a baby, child or young person has in their family, their school and with education. The narrow approach to education taken by the Government is shown in their approach to school food. It is almost seen as something that does not have to be considered because all they are really bothered about is English, maths and the introduction of the English baccalaureate, which is a narrow approach to education. We should be concerned about that, because education is much more than just academic subjects. That is where I start from.

The reason why, in 2002-03, Hull started to look carefully at free school meals was that Hull's children, who are as bright as children anywhere else in the country, were not achieving as much as they should have been at primary and secondary levels. The council took a far-sighted view about the measures that it could introduce to help to deal with some of the educational inequalities in the city and with health inequalities. Unfortunately, my constituents tend to suffer from diseases and medical conditions far earlier than people in other parts of the country. There is a tendency to suffer strokes and to develop obesity and cardiovascular disease much earlier than in other parts of the country. Hull made a real attempt to deal with some of those issues.

We should pay tribute to Councillor Inglis, the leader of the council at the time, who fought hard and used imaginatively the flexibilities that the Labour Government had introduced in relation to education. That allowed the council to introduce a pilot scheme in Hull to

provide free school meals in all our primary schools and special schools. It was called the "Eat Well, Do Well" scheme. Young people would go into school and have a healthy breakfast and a healthy lunch. If they stayed for activities after school, healthy snacks were available then as well. The aim was to combine the whole day's eating within a package of healthy eating and to encourage young people to see food as something positive and enjoyable.

The scheme was in place between 2004 and 2007. Of course, it was important to evaluate the scheme and find out whether it was delivering. Professor Derek Colquhoun of Hull university produced a superb report about what happened in Hull's schools. We have heard in relation to the experience in Durham what teachers say about the willingness and readiness of young people to learn in the classroom, having had a healthy breakfast or lunch. We hear about parents being pestered when they go to the supermarket by their youngsters saying, "Oh, I tried broccoli at school today. Can we buy some broccoli at the supermarket?" Amazing stuff happened in Hull.

One effect was the development of social skills when children ate together around a table. That was especially the case when there was family service. The food was put in the centre and shared out among all the participants around the table. That facilitated interaction among the children, who talked and listened to one another, which helped them to develop good table manners as well.

Another effect was that gardening clubs were encouraged in schools. Those clubs enabled young people to see food being grown in the playground. Cooking clubs were also encouraged. I went to Thoresby school in my constituency just a few weeks ago. It has an active cooking club. The children like to cook, and they see the value in eating well and in enjoying their food. There have been positive spin-offs from the "Eat Well, Do Well" scheme.

Lilian Greenwood: I am delighted that my hon. Friend has mentioned gardening clubs, because I have visited a number of schools in my constituency where there are community gardens or the school has a garden. I am referring to Southwold school, which is in Radford, and to Greenfields school and Riverside school, which are both in The Meadows. The children are involved in growing salads and vegetables, which they incorporate into school meals. That encourages them to try fresh produce. Perhaps they would never normally want to look at it, but because they have grown it themselves, they are excited about it and they are trying new things. I also want to mention the importance of introducing fresh fruit into nurseries, which was another thing that the Labour Government did. I know from going into school with my own daughter that children were trying fresh fruit that they had never tried before, which encouraged them to take a much healthier approach to eating.

Diana Johnson: My hon. Friend has made an important point. There was a proud history over the past 13 years of what was achieved in relation to food in schools and encouraging our young people to eat well.

I pay tribute to the trade unions. Unison and the GMB worked very hard to ensure that the pilot scheme that we ran in Hull worked well. Their members were involved as dinner ladies and cooks, and they were passionate about what the scheme was doing for children in Hull. The unions really embraced the scheme.

As my hon. Friend the Member for City of Durham has said, when, unfortunately, the Liberal Democrats took control of the council in Hull in 2006, the first thing they did was to say, "Right. We're not going to wait for the evaluation of the scheme; we're just going to scrap it. We're telling you that in 12 months' time, it will just end." That was very disappointing, and it was an act of political vandalism that will come back to haunt them. Having read today's newspapers, I say to the Minister that that was a foretaste of the way in which the Liberal Democrats were to act in government, because we see today that the policy that they introduced on the education maintenance allowance—suddenly saying that they were scrapping EMA without looking properly at evidence and considering their options—is, unfortunately, the way in which the present Government seem to make policy.

That happened in Hull in 2006. It was very disappointing, but what came out of it, which was heartening, was the recognition by the Labour Government that what had happened in Hull was special and that further evidence was needed to see whether it would provide a basis for rolling out free school meals around the country. As a result, we had the pilots.

Roberta Blackman-Woods: My hon. Friend is making an excellent point about how decisions are being made by the Liberal Democrats in councils and in government without evidence being taken on board. Does that not show that what is happening is ideologically driven? They did not wait for the evidence in Hull or from the two pilots in Newham and Durham before deciding to scrap the whole scheme.

Diana Johnson: My hon. Friend has made an important point. The situation is very disappointing. I remember appearing before a Select Committee in the previous Parliament as a Minister and being heavily criticised for decisions having been made on policy development without evidence to back them up. I am passionate about getting the evidence and seeing where it leads us in making our policy. We are talking about what happened in Hull and in Durham and Newham. I was lucky enough to visit both those pilots as well to see what happened in those primary schools and to look at the evidence and the evaluation. It would be criminal not to consider that fully and to take a view about how the Government can best use that information and evidence for the future.

My hon. Friend the Member for City of Durham talked about Durham, and I take my hat off to the people of Durham for the way in which they fully embraced the scheme. The same applies to the people of Newham, the mayor of Newham and my hon. Friend the Member for West Ham (Lyn Brown), who was a keen advocate of free school meals in her constituency. Also relevant is Wolverhampton, where we were trying something different. As my hon. Friends have said, that was about raising the eligibility level so that more young people were eligible for free school meals.

I want to finish on what is happening in Hull now, because this is a little more positive. Unfortunately, there was the decision by the Lib-Dem council just to

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scrap the scheme. The Labour council that took control in May this year knew very well that the policy that it had from 2004 to 2006 was working and was delivering for local children. It came in on a manifesto promise that it wanted to reduce the school meal price to 50p. The aim is to get rid of any charge at all, but obviously we are in difficult financial circumstances and Hull has taken a major cut in the money coming from central Government. We have seen the ring-fencing come off the school lunch grant, and we see the coalition's obsession with schools operating independently and not having a wider connection with the community and the local education authority. The previous Lib-Dem council administration decided to increase the price of school meals to £1.60 from the autumn; the price was £1.30. Labour came in and said that it wanted to reduce the price to 50p, but because of the funding issue that the coalition has introduced, it has not been possible. The council has been able to prioritise and make choices, and it has found some money to enable schools to stick at £1.30 for now, with the aim of reducing the price to £1 by Christmas.

We are, therefore, still taking a positive approach in Hull, because we recognise the scheme's importance. We also recognise that the long-term aim is to have free school meals not only in Hull, but in other parts of the country where our youngsters could benefit from the offer of universal free school meals. Such an offer would ensure that they achieve as much as they should in school and that the nation's health improves.

10.30 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): As always, it is a pleasure to serve under your chairmanship, Mr Dobbin.

I congratulate my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) on securing this important debate and on the clear and concise way in which he addressed a number of issues that are relevant to the wide topic of school food. It is no surprise that he has been so well supported by so many hon. Friends, even though, until yesterday, today was to be the last day of term.

I also congratulate and commend my hon. Friends the Members for City of Durham (Roberta Blackman-Woods) and for Kingston upon Hull North (Diana Johnson) on their excellent speeches. They are two of the most knowledgeable Members in the House on this issue, and their contributions should be given the weight that they deserve. I thank them for their contributions.

The consensus among Opposition Members is clear: the Tory-led Government are in real danger of undoing all the good work that has gone into improving the quality and uptake of school meals. Not only do the Government not value children having healthy meals in schools, but they think children should not be given the skills to make healthy choices at home.

The craziest thing is that the Government, who are so clearly focused on dealing with the country's balance sheet at the expense of almost everything else, do not realise that these policies will, in all likelihood, end up costing the country more in the long run in terms of unfulfilled potential and the treatment of obesity-related illnesses. It is estimated that the cost to the NHS of treating obesity-related conditions could reach £10 billion a year by 2050, when those starting school this year will be in their mid-40s and probably parents of school-age children themselves. It is estimated that the wider social and economic cost will be three or four times that amount. Surely, spending a little now to reduce that bill by even a fraction would be money well spent.

The Government, and the Minister's Department in particular, are nothing if not consistent in their approach to long-term issues in their "cut now, pay later" approach. For example, the Minister yesterday published her thoughts on the future of early-years provision and early intervention without mentioning the fact that she has taken huge chunks out of the budget for those services.

As with nutritional standards in free schools and academies—let us not forget that that would mean every school if the Education Secretary gets his way—Ministers are taking a "let's cross our fingers and hope for the best" approach. In a letter to the Local Authority Caterers Association last month, the Minister typified that attitude. When challenged about real concerns in the sector about the lack of a duty on free schools and academies to abide by the standards that other schools strive to work to, which were not always popular in the sector, as many of us know, the Minister said that

> "schools converting to Academies will already have been providing healthy, balanced meals that meet the current standards. We have no reason to believe that they will stop doing so on conversion, or that new Free Schools will not do so either."

Does the Minister have reason to believe that such schools will provide food that is up to standard, or does the Department not really care either way? Is consideration of catering arrangements part of the review process for applications to set up a free school? If not, is that not completely inconsistent with all the warm words that we will undoubtedly hear from the Minister about the value of a nutritious lunch?

Andrew Gwynne: My hon. Friend is making exactly the right point about the Government's answer in respect of any changes. Is it not a concern that the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), in reply to my hon. Friend the Member for Easington (Grahame M. Morris), said:

> "Free schools and academies, established since September 2010, are not required to comply with the school food standards, and are free to promote healthy eating and good nutrition as they see fit."—[*Official Report*, 7 June 2011; Vol. 529, c. 50W.]

Is the concern not the words "as they see fit", because many schools might not see fit to promote such things?

Mrs Hodgson: That is exactly the point. There are plenty of switched-on head teachers who will understand the value of healthy meals. I met one at Hall Mead school in Upminster at the launch of national school meals week last year, and there are many like him. Many of them work at primary and secondary schools in my constituency in Sunderland, where I have had the opportunity to try some of the great healthy food on offer to children there, but not every school has that culture or a leadership team that sees the benefits of healthy lunches.

Lilian Greenwood: Does my hon. Friend share my concern that the Government appear to have learned nothing from the past? The previous Conservative Government scrapped nutritional standards, and school meals really declined in quality over a long period. They also put schools under immense financial pressure and introduced compulsory competitive tendering, which decimated the school meals service and reduced it to producing fast food, instead of investing in staff who could cook proper meals from scratch. It is only in the past 13 years that there has been huge investment in rebuilding kitchens and in reintroducing opportunities for school meals workers to produce the meals that they want to.

Mrs Hodgson: I agree. The point of the debate is that we must learn the lessons of the past, not repeat them. We cannot just sit by and allow everything we have achieved in the past 13 years to be undone, which is what is happening at the moment.

To illustrate the point that not all leadership teams understand the benefits of school food, I want to cite a case that was in the news recently, although it does not fall within the Minister's purview. Bridgend council considered constructing a pathway between Brynteg comprehensive school and a McDonald's, which just shows that the argument about the value of ensuring that all our children, not just those on free school meals, have a nutritious lunch in school has not yet been won. It also shows why stay-on-site policies are so important for secondary schools.

Nic Dakin: I wholeheartedly agree that stay-on-site policies are important for secondary schools. They improve behaviour at lunch and in the classroom afterwards, so I fully endorse my hon. Friend's comments.

Mrs Hodgson: Exactly. A school or a local authority spending money on a path to a fast-food joint, rather than on instigating a stay-on-site policy, is almost as baffling as bringing in a fast-food giant to write public health policy, although, as we know, that, too, has happened. However, there is a serious point: despite all the evidence of the benefits, it is clear that not all school leaders or local authorities place the value that the majority of us in this room would like on children eating healthy lunches.

Everything that the Government have done so far means that standards will start to slide. Why? What possible benefit can there be for our children in giving certain schools the power to throw the rulebook out the window? Perhaps the Minister can at least explain that today. Of course, it is not only in new academies and free schools that standards could slide, because Ofsted no longer has to assess a school's compliance with the regulations, so how do Ministers expect them to be honoured?

According to the Minister's letter to caterers, which I mentioned earlier, mums and dads will now have to keep an eye on things, although she does not explain quite how they are expected to do that. However, she promises that, if they tell the Secretary of State about a school, he will use one of his ever-increasing number of powers to direct the school to jolly well buck up its ideas. Unless schools literally go back to the bad old days of turkey twizzlers and chips, however, I cannot imagine that many parents would notice any changes—for example, if the spaghetti bolognese, which might have met the standards before, suddenly had more fat or less vegetable content. That is a meaningless thing for the Minister to say. All that I would ask her is what possible benefit there is to schools or pupils in removing that element of an Ofsted inspection—none that I can think of.

It will be little surprise if nutritional standards slip; after all, the cash that subsidises them has effectively gone. Ministers say that it is within the direct schools grant, but again that is meaningless, because many schools are struggling with their budgets. For many of them, subsidising school meals will be far down the list of priorities, behind staff, materials and many services for which they would previously not have had to pay, such as the broadband bill, to take one example. One more service that they will now have to buy on a commercial basis will be advice from the School Food Trust on how to meet the nutritional standards—not really an attractive option if they do not now have to meet those standards anyway.

As we have heard—it was highlighted in the media last week—school meal take-up is on the rise. I congratulate the Minister on using that for some positive media coverage. I cannot really blame her, I suppose, but there is evidence that that spike could be due to pupil premium-chasing, as reported in *The Independent on Sunday*. The test of her policies will lie in whether we can see the same rise in three years' time, and unless there is a radical rethink, I do not think we will. If it should become clear that we are spiralling in the wrong direction, I hope that the Minister will rethink her approach.

My colleagues have spoken at length on the merits of free school meals as a way of closing the gaps in health and educational attainment between children living in poverty and those from better-off backgrounds. It was, as has been said, a cruel blow to hundreds of thousands of young children in working poverty when the Minister and her colleagues scrapped the extended eligibility.

In the Westminster Hall debate on free school meals that I led last June, I noted what my hon. Friend the Member for City of Durham has pointed out—that the Liberal Democrats were conspicuous by their absence, as were the Conservatives. That was hardly surprising given their part in one of the most regressive decisions that we have seen from the Government. It is noted that the Minister is here today representing her Lib Dem colleagues as well as her Conservative friends and that she is alone in that task. As my hon. Friend the Member for Denton and Reddish said in his excellent speech, the universal credit throws the whole system of free school meals into confusion, which will not be cleared up for some time.

Roberta Blackman-Woods: My hon. Friend is making a truly excellent speech. Does not the absence of coalition Members demonstrate that they do not understand the link between a healthy school meal in the middle of the day and narrowing the attainment gap? It demonstrates their narrow and blinkered thinking about education.

Mrs Hodgson: My hon. Friend will not be surprised that I agree.

The one thing that I ask the Minister is to ensure at least that least no one loses out because of universal credit. We never know; perhaps under the universal

[Mrs Hodgson]

credit system the Government may be able to give a little something back to the half a million or so kids who lost out when the extended eligibility was scrapped last year. However, given the Government's record so far, I do not think that many of us will be holding our breath.

We have a Government who pay lip service to the importance of school meals—both free and paid for—but whose actions are completely incongruous with that rhetoric. If that were not bad enough, they also do not think that cooking healthy meals is sufficient of a life skill to be taught to young teens. Just as a free school meal may be the only proper meal that some children get, there is a similar cohort for whom the only food skills that they get will be the ones that they learn at school. In fact, they are more than likely to be the same children. Given that fact, the Labour Government put together plans to ensure that all children get mandatory cookery lessons, in the hope that those skills would stay with the young people who received them for the rest of their lives and even transfer to their parents, too. There was evidence of that in the excellent work of Jamie Oliver, of which the Minister is no doubt aware. He has shown that children given knowledge of healthy food and how to cook it go home and influence the food choices made by their parents. In a letter to me, the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb) justifies the decision to scrap the commitment by saying that the Labour Government did not take any legislative steps to make it compulsory—a pathetic excuse if ever I heard one. However, that is not surprising: after all, it might be difficult for those setting up free schools in an old pub or office to accommodate first-rate food technology classrooms. The simple fact is that the Tory-led Government's half-baked policies are a recipe for disaster for our children.

I want in closing to ask the Minister two quick questions. Will she fight her corner for free school meals when decisions are taken following the report of the Social Security Advisory Committee and try to extend at least some help to the families who were short-changed by her Government last year? If it becomes clear that the policies that we have been discussing today are resulting in a fall in nutritional standards and/or the take-up of school meals—whether in free schools, academies or other schools—will she step in and do something, or does the "hope and pray" or, as she calls it, localism approach to government prevent her from doing so?

10.45 am

The Minister of State, Department for Education (Sarah Teather): It is a pleasure to serve under your chairmanship, Mr Dobbin. I think it might be the first time I have done so.

I congratulate the hon. Member for Denton and Reddish (Andrew Gwynne) on securing this debate on a very important topic. I was delighted to hear about his cooking exploits, but I was not quite sure that the diet he described would constitute a healthy lifestyle. Sponge and custard creams are probably exactly what we are trying to get children to avoid snacking on; hopefully no children will be reading about his favourite foods.

Andrew Gwynne: To be fair, I did also mention my Scotch broth, which is wholesome and nutritious; but when we talk about a balanced diet we do not want to be so restrictive that we cannot enjoy a slice of cake now and then.

Sarah Teather: Far be it from me ever to want to deny the hon. Gentleman a slice of cake. I stand corrected; he did of course mention the Scotch broth as well.

There is much in the hon. Gentleman's commitment that I would agree with. School food is hugely important. What children eat affects their concentration and health, their tendency to pick up infections and the likelihood of their being absent from school. School food is vital support in that context; it is vital in supporting healthy eating habits, which, beginning from a young age, can continue throughout a life. Unhealthy habits embedded at a young age are also much more difficult to break. Similarly, free school meals play a critical role in addressing issues of poverty and inequality, particularly for young people who would otherwise not get a nutritious meal during the day. That is the reason for the Government's commitment.

I was struck by comments that hon. Members made about the benefits of eating together, which affects socialisation and behaviour. Children can learn to interact around a meal table, and they may not have other opportunities to do that. I recognise also the previous Government's achievements, which the hon. Gentleman mentioned, on nutritional standards and the renovation of kitchens. On those points I agree with him.

Andrew Gwynne: The Minister is being generous in giving way. If she recognises the achievements of the previous Government, particularly in relation to nutritional standards, why are the Government scrapping them?

Sarah Teather: The Government are not scrapping them, and if the hon. Gentleman will now let me finish I shall deal with the points on which I disagree with him.

I just want to pick up a point made by the hon. Member for Kingston upon Hull North (Diana Johnson). I ask hon. Members to forgive me but I am still losing my voice; it has almost returned after last week's Education questions, but it is coming in and out. The hon. Lady made a point about nursery education, and the realisation of the need to embed the relevant attitudes early is precisely why I have asked the School Food Trust to produce some nutritional guidance for nurseries and children's centres. It is producing that at the moment and I hope it will help to embed some of those standards at an early age.

We are absolutely committed to driving up the take-up of school meals. It now stands at 44.1% in primary schools and 37.6% in secondary schools. However, the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) pointed out that, in her constituency, the take-up has gone down in some schools. The School Food Trust is looking into some schools that have had difficulties; although the average might have gone up, some secondary schools have seen striking decreases, and the trust is considering the details in order to understand why.

To help drive up the number who take school meals, we are encouraging schools to use more freedom in charging. We included measures in the Education Bill to

allow schools to be more flexible in how they charge. For example, they can make offers if a family has two children or make introductory offers to encourage people to take up school meals. However, I disagree with Opposition Members on many points.

One of the consistent themes of the debate was our decision to remove the ring fence. I was struck by the contradictory nature of Opposition Members' argument; they spoke about the commitment to school food that they see in their constituencies from schools and head teachers, yet they are unwilling to trust schools to deliver. It is not right to ring-fence everything. It is right to give schools the freedom to decide how to prioritise spending, depending on existing practices. None the less, I recognise what many Opposition Members said about the impact of rising prices. That is why we are working with Pro5, a partnership of the UK's largest public sector organisations; we want to drive down the price, encouraging better procurement by using centrally negotiated contracts. I hope that we will reap benefits from that.

Diana Johnson: Am I correct in thinking that the Government decided to ring-fence the music grant for at least one year to ensure that music was provided in schools? If they can do it for music, why can they not do it for school food?

Sarah Teather: The hon. Lady would be the first to blow the trumpet if the Labour Government had done so, given the extent to which schools already offer healthy balanced meals. Is she honestly saying that we should always ring-fence everything for ever? I am sure that that is not her view.

Roberta Blackman-Woods: Will the Minister give way?

Sarah Teather: I will give way to the hon. Lady, as I have not done so yet, but I shall then need to make some progress or I will not be able to answer any of the Opposition's questions.

Roberta Blackman-Woods: The Minister speaks of removing ring-fencing, but we are in the process of changing the culture of school food and of the way in which schools consider healthy living. That is why it is vital that the Government give out the message that this tranche of money needs to be spent on school food. That is the point being made by Opposition Members; we are not saying that everything should be ring-fenced.

Sarah Teather: Culture has changed significantly, and I join with the hon. Member for Denton and Reddish in paying tribute to Jamie Oliver for the work that he has done in changing attitudes.

I now turn to what Opposition Members said about free school meals. The rise in the number of pupils eating school meals inevitably means that there has been a rise in the number taking up their entitlement to free school meals. The latest figures show that 19.1% of pupils in maintained nursery and state-funded primary schools and 15.9% of pupils in state-funded secondary schools are registered for free school meals. However, for all sorts of reasons, not all children entitled to free school meals currently take up the offer—for instance, because of stigma or because they are unaware that they are entitled, a point made by a number of Opposition Members. Cash-free systems can help in driving down the stigma attached to free school meals. The hon. Member for Denton and Reddish mentioned Tameside's system for online checking. That is part of the Department's award-winning free school meal eligibility checking system, which has had a huge impact on encouraging parents to apply for free school meals by helping to remove that stigma. It is also significantly cheaper for local authorities to administer.

A number of Members spoke about the universal credit, with its automatic passporting of benefits. If we were to use that system, our way of dealing with free school meals would have to change. I understand that hon. Members want answers now, but I am sure they recognise that it is important that we get the detail right. That is why we are taking our time; we are examining how best to ensure that all those children eligible for free school meals can benefit. We are working through that now, and I shall update hon. Members as soon as I can.

I wish to correct a few misunderstandings on the pilot scheme. We did not cancel the pilots in Durham, Newham or Wolverhampton, but we had to cancel them elsewhere because, unfortunately, the programme was underfunded by £295 million. Being able to offer free school meals to every primary school child is certainly on my wish list; if money were to grow on the trees in the atrium at the Department for Education, that wish would be high up there.

Andrew Gwynne: Will the Minister give way?

Sarah Teather: I shall complete this point first. I have only four minutes left and I have barely answered any of the points raised in the debate.

Free school meals for every primary school child is definitely on our list of things that it would be nice to offer at some point in the future. The absolute need for evidence is precisely why those pilots were allowed to run; we can evaluate the evidence and see what impact it has at a later stage, when finances make it rather easier.

Andrew Gwynne: I am grateful to the Minister for giving way. In the Chamber today are two former Ministers from the Department for Children, Schools and Families, and they both say that the Minister is wrong. It is a question of priorities: we prioritised it and she has not.

Sarah Teather: The problem is that Opposition Members have given no indication of what they would cut in order to fund free school meals. I suspect that the two former Ministers did not see the detailed budgets of their Department, but evidence makes it extremely clear that the previous Government underfunded their pledge by £295 million. The hon. Member for Denton and Reddish said that the Labour party had a plan to halve the deficit, but they should make clear where those cuts would fall. It is simply not good enough to say that they have a plan to halve the deficit but not make it clear where the cuts would fall. If we were to have honoured all of those pilots, we would have had to cut the best part of £300 million—

Roberta Blackman-Woods *rose—*

Sarah Teather: No, I will not give way again. We would have had to cut the best part of £300 million from elsewhere in the Department's budget. If hon. Members were to tell me which areas of the budget they would be willing to cut to the tune of £300 million, then it might be a little easier—*[Interruption.]*

Jim Dobbin (in the Chair): Order. I ask hon. Members to quieten down a little.

Sarah Teather: Hon. Members also spoke about Ofsted. It had responsibility only for the healthy eating approach of schools. It did not engage nutritionists when doing those inspections, so it would be a fallacy to assume that the only thing that was driving compliance with standards was the Ofsted inspection.

On the School Food Trust, I think there have been some misunderstandings. All advice that the trust has made available with Government grant will continue to be made available free of charge. It will be able to charge for new advice that it prepares once it becomes a charity and no longer receives Government grant, but it will be a charity, a not-for-profit organisation, and will need only to cover its costs. I believe that the high quality of its advice means that local authorities and schools will want to use it. A great deal of the support that it has offered has proved useful.

Opposition Members raised the subject of including cooking in the national curriculum. They should wait until we have reviewed the national curriculum, and see the outcome. However, our internal review of what secondary schools are doing shows that most already provide practical cooking at key stage 3, and they are unlikely to stop doing so regardless of whether we legislate.

I congratulate the hon. Member for Denton and Reddish on securing the debate. I have tried to answer at least some of the questions raised this morning.

Office of the Public Guardian

11 am

Kevin Brennan (Cardiff West) (Lab): It is a great pleasure to serve under your chairmanship, Mr Dobbin. I am sure that you are aware of "Bleak House" by Charles Dickens in which many of the characters' lives are ruined by the court case Jarndyce *v.* Jarndyce, which never gets resolved. The case rumbles on for years and then for decades until no one can remember what it was all about in the first place. In the meantime, it provides a tidy living for lawyers and others, while an indifferent legal system looks on with complacency. Over the past three years, I have had the misfortune of having to take up a case on behalf of my constituent, whom, for the purpose of this debate, I shall call Mrs F. Our dealings with the Office of the Public Guardian have left me feeling that we are perhaps caught up in the same thick miasma, both literal and metaphorical, of Charles Dickens's novel.

I do not have time to explore all the nooks and crannies of the case, but I fear that my constituent and I are not alone—I see that other hon. Members are present today—in being frustrated by the obfuscation, delay and lack of action by the Office of the Public Guardian in discharging its duties.

In this case, my constituent and her ex-husband are divorced. The only outstanding matter in relation to the divorce is a flat they jointly own in Spain. Sadly, Mr F suffers from dementia, which deteriorated after the couple's separation, and is unable to attend to his own affairs. As a result, the court appointed one of his relatives as deputy to attend to his affairs.

I have the file of correspondence that I have accumulated in trying to assist my constituent since she came to see me in September 2008. As a constituency Member of Parliament yourself, Mr Dobbin, you will appreciate that the matter had been in train for some time before my constituent took the major step of approaching me as her Member of Parliament to assist. Mrs F was frustrated by the lack of effort from the Office of the Public Guardian in ensuring that the apartment was sold, given that buyers were available and that it was in the interest of both parties that the property should be sold. My constituent was paying all the service charges and taxes associated with the property and having little or no success in recovering the other half from the appointed deputy.

At that point, the Office of the Public Guardian told me that the Public Guardian was gathering evidence and would consider what further action would be necessary. That was nearly three years ago. In March 2009, I received a letter from Monica Ogle of the compliance and regulations department at the Office of the Public Guardian saying that my constituent's complaint had been rejected. She blamed the Spanish authorities for the lack of progress and said that that those problems had now been resolved.

On 30 March 2009, I wrote again to the Office of the Public Guardian complaining about the deputy's lack of oversight, the mounting cost to my constituent and the lack of response from the deputy's solicitor to correspondence. I received a reply, dated 16 April 2009 which promised additional assistance to the deputy in selling the property. However, by July nothing seemed

to have been done, so I wrote again to the Public Guardian. In his reply of 30 July 2009, he said that he would consider whether the deputy was best suited to act in this case, ensure that the deputy arranged for payment of service charges so as not to jeopardise ownership of the property concerned and work towards a "swift resolution" to the property sale. That was two years ago.

Three months later, in October 2009, my office spoke to a representative from the Office of the Public Guardian and was given an assurance that that representative would speak to all concerned about any outstanding matters preventing the sale of the property.

In January 2010, I again wrote to the Public Guardian and explained that no progress had been made. At this stage, with a general election approaching and in the forlorn hope that I might be able to conclude this case before my potential imminent demise at the ballot box, I took the step of writing to the then Minister, Bridget Prentice, asking her to intervene given that this case was causing such distress to my constituent.

On 12 February 2010, the Office of the Public Guardian replied, suggesting that the problem was the lack of a buyer. For the first time, it suggested that my constituent could, at her own expense, apply to the court to discharge the deputy. It did not indicate, however, that the Office of the Public Guardian could do that itself.

Mrs Siân C. James (Swansea East) (Lab): Many elderly people face these difficult issues. There has been a case in my constituency in which theft and forgery took place and an elderly person was cheated out of money. Does my hon. Friend think that there is a lack of confidence and awareness in the Office of the Public Guardian? The people to whom I spoke were not aware that they could go to such a place.

Kevin Brennan: I am not sure, Mr Dobbin, whether you think that there is a lack of confidence or awareness at the Office of the Public Guardian, but I certainly think that that is the case. My awareness has been considerably increased by having to deal with the Office of the Public Guardian over the past three years on behalf of my constituent.

My constituent is clear that the property in her case could have been sold on a number of occasions and has supplied documentary evidence to that effect. She believes that those sales were prevented by the lack of action from the deputy and from the Office of the Public Guardian.

I received a similarly disappointing answer from the then Minister, which parroted a lot of what the Office of the Public Guardian itself had said. Throughout this period, my constituent was active in trying to resolve matters both through her solicitors and in corresponding directly with the Public Guardian. In the meantime, she was bearing all the expense of the property, which amounted to a considerable sum.

On 18 March, I again wrote to Martin John, the Public Guardian, emphasising that the sale was being prevented by the lack of authority being provided on Mr F's behalf and that my constituent was concerned that the property could be placed under embargo to recover charges that she could not afford to pay, which would certainly not be in the interest of either party.

The Public Guardian replied. For the first time—we are talking about one and a half years on into this correspondence— he indicated that the deputy was being advised not to pay any of the share of the charges by their solicitor and that the Public Guardian could apply to the court to discharge the deputy, but did not consider it appropriate "at present."

Duncan Hames (Chippenham) (LD): I thank the hon. Gentleman for raising this serious issue. People often feel completely helpless in these situations, especially when a deputy is imposed on them. I do not know whether he knows this, but a constituent of mine—I will call him "Mr Able"—used to have his deputy visited on an almost annual basis by the authorities about 12 years ago. In the period between 2003 and 2006, however, there was a cosy consensus between the Office of the Public Guardian and the solicitors appointed to act as Mr Able's deputy that there would be no such visits, because they did not find them fruitful. And yet throughout that period, there was no action in response to Mr Able's demands to have his deputy discharged. Surely there needs to be regular oversight of deputies whose role is being challenged by those whom they are supposed to be caring for?

Kevin Brennan: Yes, I am sure that the hon. Gentleman is absolutely right. Of course, there have been reforms since the period that he has referred to. I am afraid to say, however, that those reforms were introduced by the previous Government—I accept that—and as far as I can see they are not bringing genuine change and genuine service to the public. The Office of the Public Guardian should offer genuine service to the public, but from the evidence of my dealings with it, I must say that it has certainly not done that.

It is significant that, in previously advising my constituent that she could apply to the court at her own expense, the Public Guardian did not advise her that it was also within his power to do so. Eight months after the promise of "a swift resolution", the Public Guardian advised for the first time that the deputy was not accepting responsibility for the shared costs and that he himself was not prepared to act to remove the deputy.

In a separate letter of the same date, the Public Guardian said that he had considered the appointment of a panel deputy, but he also said that that would be too costly and—unbelievably—that it would delay the sale of the flat, after all the delay that there had already been.

Another 16 months on, we are no further forward. My constituent is considerably out of pocket. Seasons change and Governments come and go; regimes fall; media empires crumble; but still the "swift" progress promised by the Office of the Public Guardian has been slower than the progress of a glacier.

By February 2011, as the Minister well knows, we had a new Government in place; in fact, it had been in office by then for a period of nine months. In this new era, I wrote again to the Public Guardian. My constituent had had to shell out a few more thousand pounds in the meantime to prevent the property being embargoed. I asked the Public Guardian how it could possibly be in the interests of Mr F to allow this situation to continue. I pointed out that another buyer from the UK had been lost because they were not prepared to wait for all the

[Kevin Brennan]

paperwork issues to be resolved. I suggested that the inaction of the Office of the Public Guardian was tantamount to maladministration. I understand that the hon. Member for Chippenham (Duncan Hames) may already have taken a case to the ombudsman or that he has a case in progress with the ombudsman.

Duncan Hames *indicated assent.*

Kevin Brennan: I suggested that in the case that I am discussing a referral to the ombudsman might be required. I had a reply on 17 February 2011 from the Public Guardian, in which he raised new issues in relation to the case. For the first time, the Public Guardian said that my constituent had the only set of keys to the property and that he did not think it right that her ex-husband should be liable for any of the service charges on the property. That issue had never been raised in the previous two and a half years of correspondence in relation to the case. The Public Guardian once again blamed the lack of a buyer for the lack of progress, but he admitted in that letter of 17 February 2011 that, despite all of the correspondence that we had had:

"I accept that updates may not have been pursued as frequently as they might and my head of operations has instructions to ensure regular engagement with"—

he names the deputy in the letter, but I will not give the name now—

"and her solicitor with regards to any progress in the sale of the property."

At the end of that letter, he said this about the deputy:

"I am content with the way she is discharging her duties".

My constituent wrote to me on 28 February 2011 stating how appalled she was by the Public Guardian's reply. She made it clear that both parties involved in the case had had keys to the property; that her keys were with the Spanish estate agents and had been all along; that her flat had not been visited for five years and that it was only visited then to deal with a leak; and that she had paid more than £15,000 in charges in the meantime. She went on to rebut the Public Guardian's position and to express her shock at his reference to a visit to her ex-husband, whose Alzheimer's meant that he had not been able to communicate on a cognitive level for a number of years.

I wrote again to Martin John, the Public Guardian, on 16 March 2011, enclosing my constituent's letter to me and saying that I would apply for an Adjournment debate if no progress was made. I have received no reply to that letter, although staff in my office made inquiries about it yesterday and were told that the Office of the Public Guardian had no record of the letter.

I am determined to get this case resolved before I retire, but preferably much sooner. I understand that this is a complex and sensitive area of law, but I have no doubt at all in my mind that if the Office of the Public Guardian had lived up to half of the fine words on its website and a quarter of the promises made to me, this matter would have been resolved some time ago. In the meantime, my constituent has lost thousands; lawyers have pocketed thousands; the Office of the Public Guardian has cost millions; and the fortunes of the person whose interest the office is supposed to defend have undoubtedly been diminished. I do not know why the deputy in this case has not acted more decisively; I do not know why a solicitor who does not even reply to correspondence has been engaged; but I do know that the fact that this matter is unresolved is a disgrace.

I know that this matter is not in the Minister's brief, but will he commit to ask his colleague, the Under-Secretary of State for Justice, the hon. Member for Huntingdon (Mr Djanogly), to undertake a full ministerial review of this case, with a view to galvanising the Office of the Public Guardian out of its "Bleak House" mentality and into a proactive mindset that genuinely serves the public interest?

11.16 am

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Thank you for calling me to speak, Mr Dobbin.

May I start by offering the hon. Member for Cardiff West (Kevin Brennan) my apologies for not being the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), in whose brief the Office of the Public Guardian directly sits? However, as we speak my hon. Friend is debating amendments to the Legal Aid, Sentencing and Punishment of Offenders Bill upstairs in Committee. So I hope that the hon. Gentleman will be happy to make do with me—well, he will have to make do with me.

As I said to the hon. Gentleman privately last week before this debate, I myself have had some unhappy constituency cases in the past 14 years of people who have fallen into the clutches of state-overseen administration of the affairs of a loved one. We have heard about another example of that from the hon. Member for Chippenham (Duncan Hames). If one finds oneself in circumstances where professional administrators are taking a very substantial sum out of the case, one can then see the Jarndyce *v.* Jarndyce parallel that was adduced by the hon. Gentleman coming to fruition awfully for individual constituents. However, I do not think that that is actually the case here, because obviously the deputy at hand is not a professional administrator. She is a relative of one of the parties, which in cases such as this one is more common than the appointment of professional administrators.

At the beginning of my response to this debate, I want to say that the work of the Public Guardian and his role in safeguarding the interests of people who lack capacity is very important, and that it is entirely right and proper that we should consider the effective functioning of the Office of the Public Guardian and how well it is able to support the Public Guardian in fulfilling his statutory duties. However, I also want to say at the outset that I am not entirely clear whether the particular aspects of this case offer the best evidence to test how effectively the Office of the Public Guardian is operating or indeed to show up a particular fault on behalf of the office. It appears to me that the issues are essentially private matters, which could and should have been resolved by the parties themselves rather than with significant intervention by the state, in the form of the Office of the Public Guardian. I will come back to the individual cases that have been mentioned in the debate in the latter half of my remarks.

Let me provide some context by explaining the role of the Public Guardian, because there is a degree of misunderstanding about what precisely are the duties and responsibilities of the Office of the Public Guardian, and that gets to the heart of the case that the hon. Gentleman has discussed.

The statutory role of the Public Guardian was created by the Mental Capacity Act 2005. Among other things, he is responsible for maintaining a register of deputies appointed by the courts; supervising such deputies on an ongoing basis; and investigating any concerns raised with him about a deputy's potential misconduct or abuse. I want to make it clear that the Public Guardian himself does not have any role in managing the affairs of a person lacking capacity and nor does he have powers to step in and take over the management of a person's affairs if a deputy is deemed to be unable or unwilling to manage those affairs. Furthermore, it is not within the jurisdiction of the Public Guardian to remove a deputy once appointed, or to place limits on the way in which a deputy exercises his or her powers.

Mrs Siân C. James: Will the Minister give way?

Mr Blunt: If the hon. Lady will forgive me, I will not, otherwise I will not be able fully to respond to the debate.

The Public Guardian's role is essentially supervisory and investigatory, and if he believes that a deputy is unable or unwilling to fulfil his or her functions effectively, he can make an application to the Court of Protection seeking the deputy's removal and replacement. The hon. Member for Cardiff West made that clear in his remarks, but his constituent was obviously not aware of the situation until rather late in the day. Since coming into force in October 2007, the Office of the Public Guardian has worked hard to raise awareness of its role and function, and I hope this debate will make a small contribution to that.

Mrs Siân C. James: Will the Minister give way? I have a short intervention.

Mr Blunt: I am sorry. If the hon. Lady will forgive me, I want to be able to put the role of the office on the record and deal with the case presented by the hon. Member for Cardiff West. If I then have time, I will of course take the hon. Lady's intervention.

Once a deputy has been appointed by the Court of Protection, the Public Guardian assigns him or her to an appropriate level of supervision. That process follows a risk-based assessment that ensures that all deputies receive adequate and proportionate oversight and support. An annual supervision fee is payable to the Office of the Public Guardian, which is proportionate to the degree of support or scrutiny required. In most cases, the supervisory regime requires the deputy to report to the Public Guardian on at least an annual basis. It can also result in further contact from the office throughout the year, to confirm that the deputy is carrying out his or her duties properly and to identify any need for additional support. In certain cases, it also involves a visit from an independent Court of Protection visitor, who reports their findings to the Public Guardian.

If a third party has concerns that a deputy has abused his or her position, that they are not acting in the person's best interests, or that the person who lacks capacity is otherwise at risk, they can raise such issues with the Public Guardian. That can be done in confidence, as the office has a well-established whistleblowing procedure. In this case, the third party has plainly consistently been in touch with the Office of the Public Guardian, not least in the past three years through the hon. Member for Cardiff West.

After an initial assessment, if the concerns warrant further investigation the case is passed to the dedicated compliance team, which has responsibility for investigating allegations or concerns brought to the Public Guardian's attention. The issues raised vary considerably, from relatively simple matters to extremely complex ones. An investigation often uncovers a number of different views as to what is in a person's best interests, and those views can differ radically.

When considering allegations or concerns, the Public Guardian always considers first and foremost the impact on the person who lacks capacity. He considers to what extent their best interests are being met by the deputy and whether or not, in his view, the person's interests might better be met by alternative arrangements. If there are significant concerns about how the deputyship is operating, the Public Guardian might make an application to the Court of Protection to seek either the removal of the deputy or limits on his or her powers. If there is evidence of a criminal offence or if serious issues are uncovered, the Public Guardian passes the details to the police. If no major concerns are uncovered but some residual issues bear greater scrutiny, the Public Guardian can allocate the deputy to a higher category of supervision, which enables his office to keep a closer eye on the situation or to provide a higher degree of support to the deputy. Finally, it is entirely possible that he might find the complaint unwarranted, or that there is insufficient evidence to pursue it.

It is always open to a third party to make an application of their own volition to the Court of Protection, seeking an order in relation to the management of a person's affairs. For example, were a third party unhappy about the outcome of an investigation carried out by the Public Guardian, they would be entirely at liberty to make an application to the court to seek a deputy's removal. That is the situation with the case that has been presented today.

This case concerns a dispute about the sale and maintenance of a foreign property in which two parties have a shared interest. One of the parties lacks capacity and has a deputy appointed to manage his affairs. The second party is of the view that the deputy has failed to do what is required from her side in order that the sale of the shared property can be progressed. I also understand that there are ongoing issues concerning the appropriate level of contributions to the maintenance of, and the shared service fees relating to, the property.

I know that the hon. Gentleman has taken a significant interest in the case and has written on a number of occasions to raise concerns. As we have heard, he wrote most recently to the Public Guardian in March 2011, but the office has no record of that letter, which is why the hon. Gentleman has not received an answer. I regret that that has happened. I obviously have no idea why, but I hope that today I can provide the hon. Gentleman with appropriate assurance on the issues that he has raised.

[Mr Blunt]

I am aware that there is a view that the Public Guardian could, and indeed should, take over active management of the case—as implied by the hon. Gentleman's remarks today—and that his office should progress the sale of the property. However, that is not one of the functions of the Public Guardian, nor does it fall within the scope of his powers. Indeed, even if the Public Guardian had such powers and responsibilities, I am not convinced that this case merits such an intervention. On the face of it, it seems to be a dispute between two private parties, albeit complicated by the lack of capacity of one of the parties and the fact that the property is located abroad.

I have sought advice on the case, and it has become evident that it is not even wholly clear whose responsibility it is to advance the sale of the property. When the parties where divorced, Cardiff county court ordered, on 20 December 2000, that Mrs F's solicitors shall have conduct of the sale of the property. I am not certain whether the property referred to in that direction is the property under debate; if it is, it is absolutely clear that it is Mrs F who should be progressing the sale. Since Mrs F has the keys to the property, I would want to see more evidence of obstruction by the deputy of a process that she should be progressing.

Kevin Brennan: I just wish to put on the record that, from my observations, Mrs F has made every effort to progress the sale of the property. The Minister is right that the sale is being held up by a lack of action on the part of the deputy and the lack of use of such powers as the Office of the Public Guardian has to ensure that the deputy progresses the matter. I think everyone agrees that it is in the interests of the person without capacity that the property be sold. In the meantime, a vast fortune has been lost.

Mr Blunt: I take the hon. Gentleman's point, but that is where the dispute lies. It lies on whether the deputy has obstructed a sale that should have been progressed and led by Mrs F, who has full possession of the property. There is then the issue of service charges and everything else, and the hon. Gentleman knows that the deputy received legal advice that she should not be paying those charges as she had no access to the property. That could have led to another circumstance in which some of the service charges and costs could have been reduced by the property being rented out for 50% of the time when it was, in effect, being shared. I have seen no evidence of any sensible discussion between the deputy and Mrs F to try to progress the matter, nor have I, and more importantly nor has the Office of the Public Guardian, seen evidence of obstruction by the deputy.

Kevin Brennan: I will ensure that the Minister gets a copy of my latest letter, which the office says it has not received. Will the Minister undertake to respond to the issues raised in that letter, which refer to some of the points that he has made?

Mr Blunt: The Office of the Public Guardian has undertaken a number of reviews of the case, including a full investigation and a number of visits to the deputy by the independent Court of Protection visitors, and his office continues to maintain contact with the deputy and to liaise with her over the shared property and the progress of its sale.

In conclusion, if the hon. Gentleman's constituent remains unhappy, she has the opportunity to go to the Court of Protection. That is what the hon. Gentleman has been asking the state to do through the Office of the Public Guardian. The office has investigated the case and does not think that that is justified, but it is entirely open to the hon. Gentleman's constituent to go to the Court of Protection to seek the replacement of the deputy if the evidence and circumstances warrant it. That is the safeguard. However, I fear that on the basis of the evidence that I have seen—I am happy to see further evidence from the hon. Gentleman—I do not think that the case has been made out that the Office of the Public Guardian has failed his constituent.

11.30 am

Sitting suspended.

Hospital Finances

[MR CLIVE BETTS *in the Chair*]

2.30 pm

John Pugh (Southport) (LD): I could not help thinking on my way here, as I passed the scrum of photographers and reporters, "There are an awful lot of people. They can't all be coming for the debate on hospital finances, however important it might be." I apologise in advance to the Members present, who I know debated such themes extensively in the Committee that considered the Health and Social Care Bill. I can only say that I did not anticipate that today would turn out as it has. I wanted to flag up an important issue that I think will dominate next year's headlines and to put some of my thoughts and concerns on record. I will not suggest that we could all go off quietly, have a cup of tea and discuss it in a genteel way, but if the Minister and the Opposition spokesman give adequate responses, we might curtail this debate before an hour and a half.

When I arrived in this place in 2001, one of the first people whom I met was another new MP, Dr Richard Taylor, a distinguished Member who had just won the Wyre Forest constituency somewhat unexpectedly. David Lock, an unfortunate colleague of yours, Mr Betts, had lost half his votes in the election simply by virtue of his stance on hospital reconfiguration. Since then, an axiom in this place has gone something like this: "If you back hospital changes and any sort of configuration, you lose; if you oppose hospital changes and any sort of configuration, you ordinarily win." I certainly sat through many debates, somewhat better attended than this, on hospital configuration in many parts of England when I was part of the Liberal Democrat health team, and generally speaking, that has been the invariable subtext to the debate.

Offstage, away from the Commons arena, many groups were set up during the previous Parliament to defend their local hospitals in a variety of ways. An all-party group was set up on community hospitals, and another, of which I was a founding member, was set up on small hospitals. It is recognised that reconfiguration and change in the acute sector is ordinarily political dynamite. Understandably, this and previous Governments have wanted to keep the issue at arm's length.

One way to do so is to suggest that it is all a matter of local decision making, although somehow it always comes back to the Secretary of State's desk. Another way is to refer such matters to a reconfiguration panel, a device set up expressly to keep things off the Secretary of State's desk. A third way is to claim that whatever change is in the offing is the result of extensive work by consultants—McKinsey is often involved. I have never found them particularly helpful myself, as ordinarily they suggest that hospitals solve their financial problems by simply doing less, meaning closing wards and so on. However the technique favoured by most Governments hitherto has been deferral: putting off the agony in the expectation that some other Secretary of State will have to pick up the ball and run with it. The current Secretary of State is a veteran of many hospital configuration debates, having been a health spokesman for his party for a long time.

That is the background to the issue. However, I suggest that the landscape is changing dramatically. First, there is a widely accepted view that more services should be delivered in the community, and, presumably, that fewer services should be delivered in the acute hospital sector. Many of the effects of the "any willing provider" policy and patient choice are already working their way through the system, leading to an increase in the deficit on the acute hospital side. Since the 2010 Budget, there is clearly a need across the health sector to find substantial savings, amounting in national terms to £20 billion.

Added to that is the chronic effect of private finance initiatives, which appear to be crippling many in the hospital sector. An investigation conducted by *The Daily Telegraph* found, for example, that one fifth of hospital trusts with active PFIs have closed casualty departments, while during the same period only 4% of hospitals without PFIs closed or proposed to close casualty departments. We can clearly see from the cases of some individual hospitals—I shall not name them here—that severe problems have been brought about chiefly, if not exclusively, by long-standing PFI debts. *The Daily Telegraph* investigation—we do not need to believe *The Daily Telegraph*, but this is what it says—found that

> "Some PFI hospitals—built and run by private firms and effectively rented back to the state—will end up costing taxpayers more than 10 times their capital value."

Much of that cost, of course, is picked up by the acute sector.

In addition, constant deferral has sometimes made problems more acute, which is particularly true in London. Further grief is generated, to some extent, by adjustments, not uninfluenced by the Department of Health, to the tariff for many acute services. Not long ago, primary care trusts were strapped for cash and acute hospitals were okay; to some extent, intervention in the tariff has changed that, and the acute sector could do absolutely nothing except remonstrate.

Some trusts are in serious trouble, and their problems cannot be eternally deferred. The problems of the South London Healthcare NHS Trust, for example, are critical. The other day—I am sure that the Minister will be familiar with this issue—I picked up a brochure distributed around Merseyside saying, "Save Whiston and St Helens hospital". He might be surprised to know that it says that

> "local politicians have been informed by Ministers in the Department of Health that plans are in place to privatise"

Whiston and St Helens hospitals.

The Minister of State, Department of Health (Mr Simon Burns): As the hon. Gentleman is not an MP for that area, I will explain a bit of the background. One or two hon. Members are scaremongering among the local population. Despite repeated assurances from me and others, they will not accept that there is no intention, in any shape or form, to privatise Whiston or any other hospital.

John Pugh: To be fair to the Minister, I was using that case as an illustration not of what is afoot but of how such things become inflamed and distorted and how emotion tends to dominate, rather than facts.

Mr Burns: I certainly accept that, but will he join me in saying that hon. Members have a responsibility to be accurate about the true situation? Some hon. Members are prepared to put grubby party politics ahead of accuracy in their public accusations.

John Pugh: I was handed this leaflet during a meeting on Sunday in Southport. A number of inaccuracies were expressed within the room, but I do not know how they were generated or who is chiefly responsible.

Owen Smith (Pontypridd) (Lab): Does the hon. Gentleman also agree that the Minister could clear up today any uncertainty on the question whether failing trusts might be dealt with by privatising or franchising through privatisation? The Minister could tell us what Matthew Kershaw at the Department of Health meant the other day when he told the *Health Service Journal* that private franchises might be one way to consider dealing with failing trusts.

John Pugh: I am sure that the hon. Gentleman can ask his own questions when the time comes. The point that I am making, which could be made about several hospitals, is that financial trouble is not necessarily coupled with clinical trouble, as it is in the case of the hospital that I am discussing. Sometimes they go hand in hand, but in this particular case there is a clear pattern of good clinical delivery, which we all want to see sustained. However, most of us know, even if we do not want to name individual hospitals, that about 20 hospitals—17, 18 or 19 of them—will not be in good shape for foundation trust status, largely because of the financial problems that they currently face.

The issue is how we address these problems without the kind of collateral political damage that we saw in Kidderminster. The solution is not obvious. Mergers between different trusts do not always work well. Nigel Edwards, the previous chief executive of the NHS Confederation, said that no merger has ever done the trick of resolving the problem—not by itself anyway. Neither is it possible to do things and get away with it by shepherding other NHS custom in the direction of those hospitals that are financially challenged. I believe that that is the concern of hon. Members in Warrington apropos what may happen at Whiston. If the facility is PFI and expensive, there is an argument that that will be the one that is maintained. Indeed, the previous Government were accused of doing precisely that in connection with Burnley hospital, where Blackburn was the more expensive proposition in capital terms. I do not think that that is the way to do it.

I do not think we can go back to what used to be called brokerage, whereby basically some hospitals do well, some do badly and the strategic health authority comes along at the end of the year and masks the whole procedure by handing out money. That is a discredited tool that has long been dropped. Plenty of loans are available, however, which hospitals are sitting on and which they have to repay. A few years ago, under the previous Government, if a deficit was incurred, an equivalent amount was taken off the following year's allowance, but, happily, that scenario no longer exists. This is not a situation in which immediate and obvious solutions exist.

To some extent, the modern view of the NHS—namely, that we need to encourage private autonomy to allow the strong to merge with or to acquire the weak, or to allow the weak to simply fail via a variety of different market adjustments—has some appreciable weaknesses, which I would like to discuss. If we let a hospital's culture or ecology sort itself out as best it can in any particular area, we may find that at some point in time there will be a conflict with the Secretary of State's duty to secure a comprehensive health service, because how it turns out might not actually do that. In crude terms, there are many situations in which we would take the view that we cannot let an acute hospital or a district general hospital fail.

The problem, however, persists and our failure as politicians to address it in a mature, sensible way has been subject to a fair amount of criticism. I refer hon. Members to an article in *The Times* initiated by comments made by Dr Peter Carter of the Royal College of Nursing, who said:

> "In our metropolitan areas we have far too many acute hospitals. That's a drain on the system and it has got to change".

Dr Carter, of course, represents the nurses. He went on:

> "People are going to have to be brave to make these decisions. Some of those hospitals that we have known and loved, and which were performing appropriately in their day, are no longer appropriate."

In the same article in *The Times* on 17 June, Chris Ham from the King's Fund—we know him well—said:

> "For too long politicians have not been willing to show the leadership that the health service needs."

That is a kind of allegation of almost wilful political inertia, which in the view of those experts seems to be compounding the problem.

Politicians are subject to a twofold accusation. The first is of being inert, cowardly and fearful, and the other is that they agree to certain things in private, but take a completely different stance in public. Under the previous Government, we saw the spectacle of one Minister proposing and supporting radical upheaval in the NHS, while another, the right hon. Member for Salford and Eccles (Hazel Blears), opposed it. Similar points are made by many think-tanks, which do not need to get their hands dirty with the business of reconfiguration.

Owen Smith: In a similar vein, does the hon. Gentleman agree that, before the last election, it was less than helpful to see the current Secretary of State standing outside various hospitals with a placard protesting that they would not close on his watch?

John Pugh: I have direct experience of the Secretary of State coming to my constituency to support his own party's candidate and taking the same stance as me on the local configuration issue. He has ample experience of that. To be fair, the Secretary of State has told me that doctors are not necessarily completely blameless. Apparently, some doctors say privately that certain things need to be done, but they are not prepared to attend public meetings to say so, which is understandable. Certainly, some people in the clinical community will propose a reconfiguration, while others will oppose it—often citing differing clinical evidence.

To pull things together, the reality is that this is a tricky problem and solving it by central diktat or dirigisme is attractive only to think-tanks, never to politicians or people who have to work in real time in the NHS. It is probably also insufficient to simply set tests or parameters and let the thing unfold, if we want to end up with a comprehensive service in all areas. The Government are never quite out of the equation, however much they might wish to exit and leave it to the health economy to

sort itself out. They are not a bit player in any sense. Hitherto, but maybe not henceforward, they have influenced the tariff, which has an immediate effect on the viability of hospitals. They have subsidised acute sector competition and opened access to alternative providers, all of which impact directly on the acute sector.

More importantly, the Government's drive—this is accepted as the drive of not only this Government, but the previous Government—to make NHS providers autonomous has reduced opportunities to cut costs across the whole acute sector. I will give three straightforward examples. A lot of NHS property is essentially dormant and not needed at present, and companies would manage it to better revenue and capital effect on the budget. These companies, however, deal in property portfolios, not in isolated plots of land held by an individual hospital. Properly managing the dormant and surplus estates of the NHS is an extraordinarily good way of benefiting the acute sector, but it is difficult to progress when the acute sector is divided into specific, autonomous and relatively small units.

Similarly, we would all regard savings in procurement in the acute sector as relatively painless. If we can, it would be far easier to make savings in procurement rather than in staffing or in actual services, which are more painful to progress.

The recent National Audit Office report established that the autonomy that hospitals individually possess militates to some extent against them making some of the savings that we clearly would wish them to find. I shall read briefly a couple of sections from the NAO report:

"The local control of procurement decisions and budgets in the NHS contrasts with the direction that is being taken for central government procurement."

It points out that Sir Philip Green has saved appreciable amounts of money across central Government by achieving large-scale efficiencies in procurement. The report goes on to state that

"this approach does not apply to the NHS which operates as a discrete sector, increasingly driven by a regulated market approach, in which the government does not control providers such as hospital trusts. Central government, by contrast, operates as a single body of departments where consistent and collaborative procurement arrangements can be pursued."

If we read the report and analyse the net effect of that, we realise that NHS hospital trusts pay widely varying prices for the same thing. The NAO report gives examples of hugely different procurement exercises that have resulted in very strange outcomes. It states that

"the 61 trusts in our dataset issued more than 1,000 orders each per year for A4 paper alone."

It points out that procuring on a scale greater than individual trusts will have benefits. I know that there are procurement hubs and so on, but essentially, as the NAO analyses the problem, it thinks that the current NHS structure means that we are missing out on across-the-board savings within the acute sector. It concludes by saying:

"We estimate that if hospital trusts were to amalgamate small, ad-hoc orders into larger, less frequent ones, rationalise and standardise product choices and strike committed volume deals across multiple trusts, they could make overall savings of at least £500 million, around 10 per cent of the total NHS consumables expenditure".

Owen Smith: Does the hon. Gentleman agree that having listened to or sat through, as I did, 40-odd sittings on the Health and Social Care Bill, it is precisely such fragmentation that we are worried will get worse and will be compounded by the Bill's measures? Is he concerned that the sort of centrally planned savings that he describes as being achieved through procurement will be forgone?

John Pugh: The scenario that the NAO and I have described was actually created by the advent of foundation trusts and the architecture put in the place by the previous Government as much as by anything that the Bill might do. The Bill will not substantially worsen the opportunities for savings. However, we might wish to consider the following issue in the context of the Bill. The NAO states:

"Given the scale of the potential savings which the NHS is currently failing to capture, we believe it is important to find effective ways to hold trusts directly to account to Parliament for their procurement practices."

That is a perfectly valid point. It is not a political point; if anything, it is a housekeeping point.

The NAO has produced another recent report entitled "Managing High Value Equipment in the NHS in England". We are talking here about things such as MRI scanners that cost millions of pounds. The NAO points out that, in reducing the costs of high-value equipment and maintenance, it is far preferable if the whole exercise is strategically planned, rather than planned within each individual trust. It concludes that

"the planning, procurement, and use of high value equipment is not achieving value for money across all NHS trusts."

In other words, NHS trusts are looking after themselves, rather than considering whether there is spare capacity in the equipment of a neighbouring trust, simply because they are, by and large, poised in a competitive relationship. Already the drive to secure quality, innovation, productivity and prevention savings and the rationalisation that follows from that is being hampered—if not blocked—by a degree of obduracy from the foundation trusts, who are looking after themselves rather than the whole health economy. The drive to secure such savings is also being hampered to some extent by the need to satisfy competition requirements, which I should say, in case the hon. Member for Pontypridd (Owen Smith) is going to intervene, were already in place.

I have given the example of Merseyside where centralising pathology, which is a wholly sensible thing to do, has had to get over the hurdle of impressing the co-operation and collaboration panel. It was apparently satisfied when it discovered that pathology could be obtained in Wigan. That was enough competition and was okay. However, the fact that those involved had to get over that hurdle delayed the savings and some of their impact. I pause for a second to ask hon. Members to speculate about something. If Marks & Spencer behaved in exactly the same way with regard to all its separate stores, we would consider that to be an imbecilic business practice. There is no reason why we should not query it when we see it within the NHS.

Owen Smith: I have a great deal of respect for the hon. Gentleman, but does he not agree that it is slightly ironic that he should be making this argument now, given that Opposition Members consistently argued

[Owen Smith]

throughout the passage of the Health and Social Care Bill that the sort of fragmentation he is talking about will get worse once we get rid of all strategic planning at a regional and national level? If we get rid of strategic health authorities and primary care trusts, that will be a major problem and will compound the issues he is talking about.

John Pugh: I am not wholly convinced that we will get rid of that level of planning. Instead, it will go through another avatar or incarnation and reappear as a subset of the national commissioning board's activities. That organisation is rapidly developing regional tentacles, some of which look very similar to parts of the strategic health authorities. Yes, there is the need for some strategic look at how savings are to be achieved if we are going to make savings across the acute sectors; otherwise, we are missing some very soft savings in times of severe financial restraint. It is not me saying that; it is those people who have looked at the matter in the greatest depth—in this case, the NAO.

However, one cannot roll back the clock; we are where we are. I suspect that there will be a fair amount of merging among trusts so, perhaps with the evolution of super-trusts, we will get real economies of scale. The key question I ask and the reason behind this debate is: what can the Government actually do to manage this process of change, given that all the financial information coming our way now and next year will illustrate that there will be change and that significant problems need to be addressed in London and other parts of the country? The way I see it is this. There is a yawning gap between what the public would like to see and what hospital administrators consider to be financially expedient or workable, and what doctors see as clinically desirable. There is sometimes a tendency to confound the two. I have seen many cases for change based on financial expediency that are represented as cases about promoting a clinically desirable framework. That has always created a degree of cynicism on the part of the public, who see the money rather than the clinical needs of the services driving change.

Financial expediency and clinical desirability are different. None the less, they are both forces that we can do nothing specific about as they stand. Those forces are driving change even though the public, particularly in London, are probably reluctant to accommodate that. One very bad way of resolving such a dilemma—and it will be a difficult dilemma for whoever has to deal with it—is simply to do the politically expedient thing and work out which option loses fewest votes. That does not necessarily produce anything like a desirable situation and it creates a lot of bitterness, particularly if political leverage is used to benefit candidates of one or another party, however tempting that may be.

To make a positive suggestion for a way forward, I accept that this is a very difficult environment, and one that is only going to get more difficult, but I would like to draw attention to what I have picked up in most of the debates I have had, in this Chamber and elsewhere, on reconfiguration, often in parts of the world that I was not directly informed about. In those debates—I remember a well-attended debate, with many Conservative hon. Members, about reconfiguration in the Watford area—the fundamental issue that crops up time and again is access. People spend far more time talking about the way to the service than about the shape of the service—far more time talking about traffic than about clinical processes. We have to draw a lesson from that.

It seems fairly straightforward that people who have serious life-threatening diseases have one primary consideration, which is to get the best conceivable service they can to save their life. Recognising that, they will go to where that best service is. For example, in my constituency of Southport people who contract cancer often have to travel to Clatterbridge hospital in the Wirral for some of the specialist cancer services that are not available in Southport. Although they would rather have those services on the doorstep, they would sooner have the best conceivable service. On the other hand, asking people who are travelling for very complex, life-critical services to also travel in order to get triage should they have some mishap, or to travel if they want to do something very ordinary like give birth to a baby, or if they want to attend a clinic, or if they want to get their chronic condition attended to or assessed, or if they want some sort of initial diagnosis of their symptoms, or if they want a routine stay in hospital, then to suggest that they should not go local, that they should travel further, creates uproar. Frankly, if they are asked to travel further than other people and prolong an anxious journey, or encounter some tortuous route, that will enrage them significantly.

A lot of debates about hospital reconfiguration in this place have been about the fears of one community about the basic, simple services for which they will unfairly be made to travel further than other people—fears that, in a sense, they have been rejected and that some other community has been selected to have services on its doorstep. The tendency of many people in the health service is to think that that is an issue, but not a health issue—the Department of Health does not do highways.

I can give a classic example of that in my constituency. There are two hospitals in my local trust—one in Southport and one in Ormskirk. The services were configured, I think largely for political reasons, in a rather strange pattern. A and E for adults is in one hospital, and A and E for children is in another. Theoretically, if there is a car crash with both parents and children involved, they would go off in different directions. That strikes many people as almost perverse. When people in Southport, complain very vocally and emphatically, as they still do, about having to traipse over to Ormskirk even for the most minor ailment affecting a child, they have a legitimate grievance. I have to say that that appeared to be a grievance that was shared by the Secretary of State. When he was campaigning for the Conservative candidate in my constituency, he agreed with me on precisely that point. If one reads the fine print of the Shields report, which did that configuration, one finds a very short sentence saying, in effect, "this is a fine configuration which I, Professor Shields, medical man, wish to stand by." He treats the weakness—that there is a long and tortuous road between the two communities—as though that really was outwith the particular suggestions that were being made.

I recall similar issues with regard to the debate that we had about hospitals in the Watford area. People said that the configuration had not recognised the fact, unbeknownst to the health authorities, that it may have

been possible to get from one part of the community to another at 10 o'clock or mid-afternoon, but not at peak time. That would not work or be satisfactory for the people who would have to negotiate dense traffic and no direct road. I looked at the Secretary of State's four tests for acceptable configuration. They show progress in the right direction, but the one thing that they did not mention was physical access and time taken in access to health services.

In conclusion, I would like to make a positive suggestion. When we think about configuration, we need to lay down access standards that offer some kind of basis of what people can rationally, reasonably expect: to test proposals coming forward against access standards; to ensure that access is, as far as we can get it, fair for all; to have goals for access that allow for variations in people's condition, whether life-critical or standard; to allow to some extent for differences in rural and urban environments; and to allow even for factors such as population density. People in London would be flattered, to some extent, by the picture they see of access arrangements in London. They probably feel that they are not as good as they might be, but in comparison with rural environments they are markedly different.

If the Department of Health could take access seriously, then the huge political problems that are on the horizon, and not very far on the horizon, can be resolved in a less politically contentious way. We could then convince people that some of the reconfiguration that may have to be done is fair, if not welcome. Until we do that, we are going to get into precisely the same territory as Dr Taylor and David Lock in Kidderminster. It is the failure on the part of the NHS, I guess, to talk to the department of highways and the Department for Transport effectively. It is a failure to take into account what it means for the ordinary patient, and how it looks from the ordinary patient's point of view, that really makes these difficult issues absolutely explosive.

3.7 pm

Owen Smith (Pontypridd) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate the hon. Member for Southport (John Pugh) on securing the debate, albeit at an hour and on a day when there is a little competition for the attention of the House and perhaps of the media, too. Maybe the media are watching, but I have my doubts.

I will start on a note of agreement with the hon. Gentleman, and, I am sure, the Minister, on the need to make savings in the NHS. There was widespread agreement before and after the general election that the NHS needs to make significant savings of £15 billion or maybe £20 billion in the spending period, which is vital. Equally, the NHS needs to find ways to achieve those efficiencies to achieve productivities that will allow those savings to be sustained over a longer period. There is also widespread agreement that there is a massive challenge in achieving those savings, and addressing perennial problems that have persisted in the NHS under successive Administrations.

Some trusts, as the hon. Gentleman has said, are consistently in the red and have been for a while. They seem to have persistent and perhaps insurmountable problems with their finances. There has been an evolving but still too opaque process of dealing with that, with bail-outs or loans from the SHA or the PCT to trusts that have struggled. Despite the efforts of successive Governments, and particularly the previous Labour Government, there remains too much variability in the quality of service offered and prices paid across the NHS. I also agree with the hon. Gentleman that there have been persistent political obstacles in the way of achieving the reconfiguration of services, which we all recognise may be required to deliver some of the proposed savings.

Since the Government came to office more than a year ago, they have been right to try—rhetorically, at least—to address those issues and to spell out some of the challenges and potential solutions. First, we all agree that there needs to be greater transparency on accounting, on design decisions about services and, in particular, on reconfigurations of acute services. Secondly, there has been widespread agreement over a long period that clinicians need to take greater responsibility for redesigns and, as the Government would put it, to be at the heart of decision making in ways that force them to take account of issues and be responsible about engaging in the ongoing debate. Finally, there is agreement that we need a more effective means of dealing with failing trusts, so that we have a failure regime that allows whichever party is in government to reconfigure vital services in a way that protects them.

The Government want to do all those things, and they are right to want to do them, while increasing quality at the same time, but the problem is that their prescription for achieving them is entirely inappropriate. It is the wrong prescription for the NHS, and it will not achieve what the Government want; in fact, it will compound the problem. The past year has been a wasted year, in which many of the decisions that the Government say they want to take and that they want the NHS to take have been put off. The health service has had to deal with the chaos of having to wait and wonder what the future will hold for individuals and institutions across the NHS, as the Government's shambolic Health and Social Care Bill passes slowly and tardily through the Commons.

The principal reason why the Government have introduced the Bill is that they still have an entirely misguided belief that competition in the NHS between providers will result in a more efficient allocation of resources, drive productivity and lead to innovation in the NHS, which is not the case. The planning that the hon. Gentleman has mentioned is vital in the NHS, and that is particularly true of planning that militates against injudicious decisions being taken by parts of the NHS that are more autonomous than they were previously.

Ultimately, the chaos we have seen over the past year has been worse than not allowing the NHS to take the necessary financial decisions and steps towards reconfiguration to achieve better financial outcomes. Worse still, it is compromising patient care. The quality agenda that the Government profess to support and pursue above all else, even in respect of competition, is not letting the NHS improve as quickly as it has done in the past. The Minister is looking quizzical, but I would point to the fact that the figures for 18-week waiting times, for four-hour waits at A and E and for the time people wait to receive vital diagnostic tests are all increasing.

Mr Simon Burns *indicated dissent.*

Owen Smith: Yes, they are. The Minister says they are not, and if he wants to intervene, I would love to hear what he has to say.

Mr Burns: I know that the hon. Gentleman does not want to misinterpret the facts, and even he will have to accept, if he looks at the facts, that the median waiting time remains stable. Even someone he loves to quote—Chris Ham of the King's Fund—has acknowledged that in recent weeks.

Owen Smith: The King's Fund explicitly said that, for the months from February through to March, numbers for the 18-week wait were at a three-year high. The Minister talks about median waiting times, but we need to talk about overall waiting times. He cannot disagree with the fact that the figures for the other waiting times that I have mentioned—the waiting times for diagnostic testing and for four-hour waits in A and E—are at their highest levels since their inception. That is where we are, and I fear that is where we will be for a long period unless the NHS is allowed to concentrate on clinical targets, which are crucial to the quality of service that patients receive, rather than having to worry about future configuration and structure.

How has the vital question of savings been dealt with over the past year? The hon. Member for Southport has discussed the need to save between £15 billion and £20 billion, and service reconfiguration is one way to do that. We do not know exactly how we are doing on savings right now, because the Government have not told us where we are or whether we are on track to realise those savings. We know that trusts are being asked to make savings of about 4% a year, but we do not know how many actually are. We fear that we are behind the curve in achieving that figure, which Monitor's report of September last year suggests that 63% of trusts are failing to do. The King's Fund tracker, which came out only last week, said that half the managers it surveyed feared that they would not hit the 4% target, and an even greater proportion feared they would not hit the 6% target that they are setting for themselves.

Mr Burns: Will the hon. Gentleman accept—I am sure that he knows this—that the King's Fund work was only a snapshot? It surveyed only 29 finance directors out of 165, and 27 of them made the comments that he has described. However, the latest quarterly NHS performance statistics, which are an actual look at what is going on across the NHS rather than a snapshot, show that 20 of the 21 indicators are being reached. Of those, 14 show improvements, whether that is on bowel and breast cancer screening or on times for admission for minor strokes. That gives a more accurate assessment of what is going on.

Owen Smith: Of course, the baseline for those outcomes is relatively new, because this is a new set of indicators. More importantly, however, the Minister will accept that I was talking specifically about financial data and whether services will hit their financial targets. I acknowledge that the King's Fund tracker is but a snapshot and that, as the Minister has said, it uses only 29 NHS trusts. However, the Monitor survey of September last year, which I have mentioned, related to all 100-odd foundation trusts, and it found that 63% of them are behind the curve in achieving the 4% target. It is not, therefore, inexplicable or out of the realms of possibility that the King's Fund survey might be entirely accurate, even though it is a snapshot. Of course, the Minister can clear this up for us right now by saying precisely how many foundation and non-foundation trusts are on target to meet the 4% target for productivity savings this year. He can clear that up for us, and we will have no further questions about it. He could publish a tracker to keep things clear for us.

After quality and savings, the third issue that I want to discuss is transparency, because the Government have persistently said that more transparency in the system will allow decisions to be taken in a better way and to be scrutinised, as well as allowing an improvement in productivity and quality. Other Opposition Members and I have pursued this issue during the seemingly endless sittings on the Health and Social Care Bill. I have said repeatedly that the fog around this issue has not got any thinner; in fact, it was approaching pea-soup status towards the end of our sittings.

We have no real idea how the Government will address the apparent shortcomings in the 17—or is it 20 or 25?—trusts that are currently in trouble and do not have the requisite stability to achieve foundation trust status. We do not know exactly what the Government are doing to bring them up to foundation trust status. Nor do we know precisely what will happen if one of them goes bust. We do not know what the failure regime is—

Mr Burns: You will.

Owen Smith: Well, as we said in Committee, we wait with bated breath to hear what the failure regime will look like. It is a crucial piece of the jigsaw if the Government are to be trusted with the NHS and if we are to know precisely what regime they will put in place to protect services that, as we have heard across the country, are considered vital for communities.

We do not have any idea, really, how many of the existing foundation trusts are overspent, and therefore in breach of their authorisation. The Minister could inform us about that. He could be a little more transparent about precisely what the situation is. I mentioned this earlier, but the Minister could clear up persistent concerns, in particular on the Labour side of the House, that the Government think that private sector management might be a means to improve the productivity, efficiency and, indeed, perhaps even the clinical quality, of some of the failing trusts. I do not think that that fear is wholly misplaced. We simply need to listen to the words of Matthew Kershaw, who is employed in the Department of Health to oversee that very process, and who told a *Health Service Journal* conference just the other day—it was reported only a week ago—that it was perfectly possible that we might look at means by which private sector companies might come in to run, through franchise, some failing trusts.

Mr Burns: The hon. Gentleman really takes the biscuit. He raises the possibility of private sector companies providing a manager or managers where the management in an NHS hospital are failing to help pull it round and return it to stability. He conveniently forgets that there is only one instance, to the best of my knowledge, where that is happening in the NHS, and it is—possibly, provided it is all finalised—at Hinchingbrooke hospital

in Huntingdon. That was set in progress not by a Conservative Government, but by his party's Government, under the right hon. Member for Leigh (Andy Burnham), prior to the general election. To complain about something that his own party's Health Secretary did is somewhat rich.

Owen Smith: The difference, of course, is that that is one instance in a system where there is still strategic management, planning and control, both at the centre and in the regions. The difference under the new dispensation, as envisaged in the Health and Social Care Bill, will be that we shall have a fundamentally disaggregated, fragmented NHS with more autonomy and with the ability for more trusts to choose what to do. That runs the risk that the Secretary of State will have far less control over those private providers, if they are running franchises.

Mr Burns: The hon. Gentleman can wriggle as much as he likes. The fact is that he has been holed below the waterline. A Labour Government set up the only example in the health service in England of what he said, specifically, it was unacceptable to do. He could at least have the decency to come clean and accept it, and, if he feels so strongly now, he could apologise.

Owen Smith: I am not sure that I am the most celebrated politician being asked to apologise today. I do not need to apologise and do not feel that I am holed below the Plimsoll line, because clearly a very different future scenario is being painted as a result of the changes that the Minister and the Government are pushing through in the Bill. Our grave concern is that the local populace, politicians, and, indeed, Parliament, will have far less control over and insight into what different parts of the NHS will be doing after they are afforded that much greater autonomy. Of course, there will also, ultimately, be a far greater ingress of private companies into the NHS at many levels.

John Pugh: Does the hon. Gentleman accept that his argument is an argument for all seasons? He can use it whenever he criticises the Government for something and then finds out that his party's Government have done it; so he has rendered himself undefeatable in argument, but somewhat meaningless.

Owen Smith: I would love to be undefeatable in argument, but I am not sure whether that is true. However, I will add one thing before I move on. I did not say—this is the principal reason why I do not need to apologise to the Minister—that the idea of a private company coming in and running an NHS service should never be countenanced. I suggested that in the world envisaged in the Health and Social Care Bill, where there will be a significant increase at many levels in the number of private sector providers in the NHS, there is an immediate local concern, in addition to the far more substantive problems of competition law becoming the norm for organising the NHS and, crucially, dismantling it. The local concern is that there will be less control over a greater proportion of the NHS, once we have more private providers. That clear concern is widely felt across the House and outside it.

The hon. Member for Southport touched on how NHS bureaucracy allows tough decisions to be taken. He talked about politicians not being prepared to take tough decisions, and about the NHS's own clinicians, bureaucrats and managers being unable to do so. That needs to be recognised, because there are difficulties with an organisation as big, and arguably as unwieldy, as the NHS, with so many different moving parts and so many different agendas in play. However, as to the labyrinthine bureaucracy that the Health and Social Care Bill will create, with the welter of new organisations—the national commissioning board at national and local levels, consortia, senates, clinical networks in addition to the ones that we currently have, health and wellbeing boards, HealthWatch, the Office of Fair Trading and the Competition Commission—it is beyond this simple politician to see how that much more complex architecture will facilitate easier decision making in the NHS about tough reconfigurations. I just cannot see how it will get easier with far more complex architecture.

I thought that the hon. Member for Southport talked interestingly about how, at a more aggregate level, one might imagine better ways to manage what he called the "dormant surplus estate" of the NHS, which is an interesting point. There are ways in which dormant bits of hospitals and dormant land could be better managed. I have grave concerns about the world that I envisage will pertain in several years, if the Bill unfortunately passes, in which different parts of the NHS will have much greater autonomy in making those decisions, and there will be a much greater risk that the motivation behind them will be financial as opposed to clinical. I find it impossible to believe that the likelihood of aggregated strategic decision making in respect of that estate will be improved by allowing the NHS to break up, as I fear it will. The National Audit Office report that the hon. Gentleman prayed in aid was not on precisely that territory, but it pointed to a risk that always attends autonomy—that it results in less strategic decision making, because decisions are made at a more micro level. That risk clearly attended foundation trusts, and it will get worse, not better, under the Bill.

Lastly, the Minister has talked about clinicians sitting at the heart of the decision-making process. Again, I use the analogy of a labyrinth in the NHS; I cannot see how in that new labyrinth clinicians will be at the heart of decision making. It is a labyrinth that would challenge Theseus, let alone the NHS. Those clinicians will be in the maze with many bureaucrats, some of them perhaps rebadged and shifted from primary care trusts and strategic health authorities into consortia, the NCB or the NCB's regional arms, and some perhaps from BUPA, Assura Medical or one of the other bodies that will no doubt help to manage commissioning for consortia, and, potentially, for acute care.

In reality, the previous Government funded the NHS from a point where it was on its knees. They tripled the funding of the NHS, radically increased capital spending and raised some of the issues that the hon. Member for Southport has mentioned about the private finance initiative—we could have a long debate about that and how we should reconsider some of those capital projects.

Mr Burns: The hon. Gentleman just said that the previous Government tripled funding on the NHS. Will he share with the Chamber how much NHS funding was in financial year 1996-97?

Owen Smith: My recollection is that in 1996-97 NHS funding was around £39 billion, and it has now gone up to around £111 billion.

Mr Burns: How is that triple?

Owen Smith: Well, it is not far off. With the greatest respect, funding pretty much tripled—the figure might be £10 billion short, but it is pretty close.

Mr Burns: That is a lot of money.

Owen Smith: Okay, let us call it 2.8 times, as opposed to three times, but the increase was rather large. It was certainly reflective of the enormous need when the Labour Government came to power in 1997, following the chronic underfunding of the NHS presided over by the Government in which the right hon. Gentleman was a Minister. Some of the capital spending and its mechanisms, as I have said, need to be opened up and debated, so transparency ought to be a good thing in that case. That capital investment was undoubtedly required, because we needed new hospitals and investment, which were not provided by the previous Tory Government and which the Labour Government delivered.

In the latter years of the Labour Government, after the 2006 White Paper and, crucially, Lord Ara Darzi and his review, we started to look carefully and in a structured fashion, given the difficult nature of the task in hand, at how clinician-led reconfiguration of the NHS could come about and, notably, at greater integration between primary and secondary care and at delivering more of the services traditionally delivered in secondary and tertiary care in the primary care setting. That was the legacy that we left this Government, who have, with respect, blown it. They have wasted the past year, instead of moving on with that positive heritage. They have shifted into their misguided belief that competition in the health service, as for utilities, white goods or whatever other analogy they want to use, will drive more efficient decision making, innovation and better productivity. The Minister is wrong about that, and that will not happen. I am absolutely certain that that is the case.

In pursuing the illusion of competition, the Minister is running two risks in the reconfiguration and financial agenda that we are debating today. First, the increased short-term risk is of ill-considered cuts and reconfigurations in the NHS as a result of managers with their eye only half on the ball, and, as Sir David Nicholson has conceded, half their time spent wondering and worrying about their personal and professional future. There is a real risk that short-term decisions are being taken in that worrying, troubling atmosphere.

In the longer term, the far more profound risk is that the sort of competition that the Minister believes will drive greater efficiency and the disaggregation of the NHS will result in an NHS that delivers worse, more fragmented care, with more variability in the price paid for care, which is a licence for a postcode lottery. My grave concern is that the Government are prepared to countenance such a future and prepared to take such risks with the NHS.

John Pugh: The hon. Gentleman is right to say that competition is not a panacea for developing efficiency in all places, but nor was the Darzi prescription, which he has just mentioned and which was written in the same way for everyone throughout the land. My own constituency ended up with a Darzi clinic, which was in the community but actually further away for more people in Southport than the district general hospital—we are now struggling to fill it and to find a use for it. Although I accept that competition is not a universal panacea, there is a problem with top-down prescription.

Owen Smith: Darzi was not only about polyclinics—that they were the principal prescription that he came up with is one of the myths. There was a much broader agenda in play which, as I have said, was about integration and pushing more services into primary care, although not necessarily into polyclinics. All I was suggesting was that the Government could legitimately have pointed to that area as a legacy of the previous Government that they could have picked up and run with—one they could have made significant inroads on in the past year. Instead, they have misrepresented the direction of travel as one wholly driven by a belief in market forces, as the ultimate way to get efficiency in the NHS. That is what led to this wasted year.

Finally, I entirely agree that politicians need to be a lot braver about the NHS. Politicians of all stripes need to take difficult decisions about how services must be restructured and reorganised for the 21st century. The way to go about it is not the Government's method, whereby they abdicate a greater degree of responsibility for the NHS—pushing it, at arm's length, to the NCB and others, including the private sector. Nor is it wise for the current Government to have come into office with so many hospitals able to parade a photo of the current Secretary of State or local Tory MPs holding placards saying, "We will not allow this service or that hospital to close." That was not wise, and it might have sown false hope for some hospitals, which I suspect that the Government will come to rue in future.

3.36 pm

The Minister of State, Department of Health (Mr Simon Burns): May I also say what a pleasure it is to serve under your chairmanship this afternoon, Mr Betts?

I congratulate the hon. Member for Southport (John Pugh) on securing the debate and on his particularly interesting and thoughtful speech. I have some sympathy with him, but he is right: sadly, events elsewhere on the parliamentary estate are securing more attention. However, I hope to reassure him by saying that this debate had quality rather than quantity.

It is a particular pleasure to have the hon. Member for Pontypridd (Owen Smith) with us. We have got used to him, while in Committee on the Health and Social Care Bill, and he is beginning to invent—or rather, reinvent—himself as some sort of cheeky chappie, who talks the talk that is fed to him by his party elders. One has to admire him because, more or less, most of the time, he manages to stop that smile completely breaking out on his lips—he clearly does not believe a lot of what he is telling us, because it flies in the face of reality. If one needed an example taken to its typical extreme, it would have been his accusations about private managers helping to secure and turn around any NHS hospital,

because the only example will probably be Hinchingbrooke, which was of course set on its way by the right hon. Member for Leigh (Andy Burnham). We have to admire the hon. Member for Pontypridd for bringing up an example as fraught with danger for him as that.

The subject of the debate is interesting and, as the hon. Member for Southport said on a number of occasions, difficult in many ways. Before engaging in it, however, I pay tribute to those doctors, nurses, ancillary staff and others who work day in, day out in hospitals up and down the country doing a fantastic job for patients. All too often, because the quality of their care for patients is seamless, it goes unnoticed, which is a reflection of the high standards that they set for themselves in providing that care.

We believe that we must have a sustainable national health service in this country—one that can evolve with the times and changing situations, whether medical or financial. The report this week from the independent Office for Budget Responsibility has underlined the importance of the Government's commitment to long-term fiscal sustainability for the NHS. It also demonstrates the critical importance of responding to our ageing population. Consequently, health funding will need to rise in the coming years, and the Government are totally committed to its doing just that.

As hon. Members know, we gave a commitment in our election manifesto to provide a real-terms increase in funding in every year of the Parliament while we are in government—the lifetime of this Parliament. We have honoured that, and we will continue to do so in subsequent years. The only trouble is that because of the horrendous economic situation that we inherited from the last Government, the available money is far more restricted, because we must take some extremely tough decisions to sort out the mess that was left to us. That has meant that the real-terms increase in NHS funding has been modest, albeit a real-terms increase, and has presented a challenge to the NHS, as the hon. Members for Pontypridd and for Southport said.

Owen Smith: Will the Minister say how much less that amount of money will be as a result of the pause and listen exercise, and the increased cost resulting from the Health and Social Care Bill?

Mr Burns: The answer is no. It is not, "No, I will not give an answer"; it is no to the fundamental question. The hon. Gentleman is aware from previous discussions that the cost of the listening process and the Future Forum was modest, and the impact assessment for the Bill, which he studied, will be updated, as he well knows, when the Bill leaves this House and goes to another place. The current impact assessment shows that the one-off cost of the modernisation and improvement of the NHS is about £1.4 billion. By the end of this Parliament, the savings generated by that modernisation process and the changes will be about £5 billion, and £1.7 billion a year thereafter until the end of the decade, of which every penny will be reinvested in front-line services. There will be a subsequent impact assessment, probably in about six or seven weeks, subject to progress in this House, and if there are any changes or updating we will see them in that impact assessment, and there will be an updated figure.

Owen Smith: I look forward to it.

Mr Burns: The hon. Gentleman says he looks forward to it. Let us hope that he does when he sees the figures, because in my experience he rarely looks forward to anything that flies in the face of his arguments or is not helpful to his arguments, because he finds that disappointing. I hope that he will be disappointed when the new impact assessment comes out.

To return to my original point, the increase in real terms that we will make in every year of this Parliament will mean a £12.5 billion increase in funding for the health service over the lifetime of this Parliament.

The report from the Office for Budgetary Responsibility emphasises the importance of constantly increasing productivity within the NHS and other public services. As the hon. Gentleman knows, in every year of the last Government there was a fall of between 0.2% and 0.4% in productivity in the NHS, which is unacceptable, and ultimately would become unsustainable because we need to generate growth and productivity to drive improvements in patient care, outcomes and the overall performance of the NHS in providing patient care.

As the hon. Gentleman and the hon. Member for Southport said, we embraced and accepted the quality, innovation, productivity and prevention agenda challenge set out by the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), which involved savings of £20 billion over three years originally, but we have extended it to four years. By cutting out inefficiencies, and enhancing and improving best practice that can be shared within the NHS, we can make savings that can be ploughed back into patient care.

The extra £12.5 billion to finance the increase in the health service over the next few years will not alone be enough to meet the rising demand for health care and its increasing costs. We need to find savings of up to £20 billion during the lifetime of this Parliament that we can reinvest, and that is the crucial challenge facing the national health service. I am confident that it will meet that challenge over the next three to four years.

The overall strategic health authority and primary care trust surplus of £1.375 billion during the last financial year will act as a sound financial platform for the NHS. Every penny of that surplus should be used to help to improve health outcomes for patients, and to meet the challenges and demands as we move to the new, modernised NHS, subject to approval in this House and another place. The challenge for every NHS organisation is to improve the quality of care that it offers while ensuring that money spent on care is spent effectively and efficiently, because that is what matters to patients and to the public.

The hon. Member for Southport referred to the crucial move to community-based services, which is already happening, and will continue to happen where it is clinically appropriate. The hon. Gentleman spoke about the impact on hospitals of reducing hospital-based activities and delivering more services in the community. That is a crucial area, and a valid issue to raise. As I said, where it is clinically appropriately and when it can lead to demonstrable improvements in patient outcomes, more services should be provided in the community—for example, in GP practices or even in the home. All of us as constituency MPs and those of us with a particular

[Mr Simon Burns]

interest in the NHS and health care know of examples and more and more practices where home and community settings are being used to meet the demands and needs of local populations, because the vast majority of people in this country would prefer, when it is clinically appropriate and feasible, to be treated in the community in their own homes instead of having to go to a perhaps inappropriate hospital setting for treatment. The QIPP long-term conditions workstream seeks to ensure that patients can be cared for effectively in their home or community, avoiding unplanned, unnecessary and expensive admissions. That is better for the patient, better for the NHS and better for taxpayers. It is also an opportunity for hospitals.

Increasingly, the best hospitals think of themselves no longer as just a physical place of bricks and mortar, but as providers of excellent health care. For example, Croydon Health Services NHS Trust provides both hospital and community services through a number of community and specialist clinics throughout the area. It is effectively becoming a health care trust instead of simply a hospital trust. That is the way for the future.

A considerable amount of the debate was spent on reconfiguration, and I would like briefly to address that. As society and medicine change, so must the NHS. The hon. Gentlemen said that tough decisions will have to be taken, and that people will have to be brave, honest and realistic in addressing the issues. I totally agree.

The NHS has always been responsive, whether to patients' expectations or improving technologies. As lifestyles, society and medicine continue to change and evolve, the NHS must also change to meet those challenges. As technology and clinical practice get better and better, some services that were previously provided only in acute hospitals can now be safely provided in other places. A local health centre, a GP surgery or even the patient's own home may, when appropriate, be the setting for health care and treatment that were previously not possible or feasible in such places. That shows how our health care is constantly evolving and improving.

Owen Smith: I hope the Minister will forgive me as I have asked this sort of question many times. Does he feel that in the world envisaged by the Health and Social Care Bill, where there is more competition between different providers in local health economies, it will be more difficult rather than easier for the sort of integration he speaks of to come about?

Mr Burns: In the light of the hon. Gentleman's question, I will preface my reply by the words, "If he will forgive me." We have had these conversations frequently—to be polite—during the course of the 42 sittings of the Health and Social Care Bill, and I fundamentally disagree with him. As we modernise the NHS, we are seeking through the Bill to put the patient at the centre of their experience, so that they are totally involved in their treatment and needs, are talked with rather than talked to, and can be part of the decision-making processes by which we are driving up the quality of patient care and improving outcomes. We will ensure those things through a comprehensive national health service, greater integration and far greater collaboration.

Owen Smith *rose—*

Mr Burns: There is no point in my giving way to the hon. Gentleman; I have only 10 minutes left and whatever I say he will not accept publicly because it runs contrary to the mantra that he and his hon. Friends constantly spout as they seek to undermine the procedures that will ensure a first-class national health service to meet the demands of our citizens.

Returning to my original point, at the same time as one will see different settings for appropriate care, other services that need highly specialist care will be centralised at larger, regional centres of excellence where there is clear evidence of improved health outcomes. Reconfiguration is about modernising treatment and improving facilities to ensure that patients get the best treatment as close to home as possible, thereby both saving and improving lives. That is an essential part of a modernised NHS, but it should not be enforced from above.

There will be no more impositions of the kind that saw a GP-led health centre in every PCT, whether it was wanted or not. Instead, the reconfiguration of services will be locally driven, clinically led and will have public support. It will be change from the bottom up, not the top down. The reconfiguration of services should—and will—be a matter for the local NHS. There is no national blueprint for how health care should be organised locally, and services need to be tailored to meet the specific needs of the local population. Effective local engagement will ensure that services continually improve, based on feedback from local communities. In an NHS that is built around the patient, changes to services must begin and end with what patients and local communities need. Last May, my right hon. Friend the Secretary of State introduced four tests, and current and future reconfigurations must be along the lines of the four basic premises in those tests. Local plans must demonstrate: support from local GPs; strengthened public and patient engagement; a clear clinical evidence base; and support for patient choice. The tests make sure that any changes to health services will be true to the spirit of "No decision about me, without me."

The hon. Member for Southport also raised the important issue of the private finance initiative. We have seen evidence from around the country of significant problems in a number of hospitals as a result of decisions taken by the previous Government to approve what were sometimes extremely expensive PFI schemes that became a drain on a trust's annual income. As the Government confirmed at the end of last year, where PFI schemes can clearly be shown to represent good value for money, we remain committed to public-private partnerships, including those delivered by PFI, and they will play an important role in delivering future NHS infrastructure. We also believe, however, that there have been too many PFI schemes, and that some were too ambitious in scope. In addition, we have also had serious concerns about the value for money of some PFI contracts signed in the past.

The Treasury has reviewed value for money guidance for new schemes, and looked at how operational schemes can be run more efficiently. In January, the Treasury published new draft guidance, "Making savings in operational PFI contracts", which will help Departments and local authorities to identify opportunities to reduce

the cost of operational PFI contracts. As part of that savings initiative, my noble Friend Lord Sassoon, Commercial Secretary to the Treasury, launched four pilot projects to test the ideas in the Treasury's draft guidance. One of those pilots was a hospital PFI scheme at Queen's Hospital in Romford. The focus of the Romford pilot was to find efficiency gains and savings within the PFI contract, allowing the quality of care for patients to remain the top priority. Earlier today, Lord Sassoon announced the results of three of the four pilots, including that at Romford hospital. The Romford pilot showed that savings of 5% could be made to the revenue cost of the PFI scheme.

I welcome the Treasury's findings, but we have yet to consider them in detail. I understand that the Treasury has now placed updated value for money guidance on its website. I hope that that will help trusts with operational PFI schemes, and trusts that are planning PFI schemes, to make significant savings. Every penny of those savings will be retained by the trust to be reinvested in improving patient care.

Owen Smith *rose—*

Mr Burns: I will briefly give way for the last time.

Owen Smith: I have a basic factual question for the Minister. Will the results of that survey lead to an attempt to reopen or renegotiate any of those contracts?

Mr Burns: As I said to the hon. Gentleman a few moments ago, the pilot schemes and investigation published by my noble Friend Lord Sassoon show that there is potential within existing PFI schemes to make some savings—I cited the figure of up to 5%. We are going to study that report. It was published earlier today and we need time to look at it and see how those savings can be realised within the context of the existing PFI scheme, rather than by reopening it and starting again.

In conclusion, there are many challenges to the NHS, but those concerning finances will be assisted and helped by our commitment to a real-terms increase in funding. The hon. Member for Southport said that the reconfiguration programme must be driven by local demand and needs, and I agree with him. He raised the issue of access to facilities being part of those considerations, and it may console him that I am able to assure him that access will form part of any consideration. Local people will determine where their local services should be placed and, together with a number of other factors, the issue of access should be considered. Such decisions must be determined by what the local community needs and what meets its requirements in the provision of health care. In many ways, such decisions will be determined with the same checks and balances, and with the involvement under a modernised NHS of health and wellbeing boards, and in certain circumstances, the national commissioning board. Overview and scrutiny committees will have the opportunity to refer plans to the Secretary of State.

As the NHS is modernised, the changes outlined by the Secretary of State will begin to take effect and give clinicians and the local NHS greater control over decision-making processes, rather than having politicians micro-managing on a day-to-day basis from Richmond House. That will provide a future for the NHS that can meet the requirements of enhancing and improving patient care and, most importantly, improving outcomes for patients.

Royal Parks

3.59 pm

Mr Mark Field (Cities of London and Westminster) (Con): The royal parks are a national asset treasured by millions of Londoners, those who work here and countless tourists from all four corners of the globe. For many, they provide an oasis of peace and tranquillity amid the incessant din of urban noise. For others, they are a meeting place, a venue for team sport, an arena—sometimes, at least—for music and a setting for national expression. Balancing those needs is a key part of the Royal Parks Agency's job, but there is concern that the balance is getting out of kilter. I have raised previously in Parliament the issue of the creeping commercialisation of Hyde park in my constituency; indeed, I did so as long ago as 2004. However, I fear that the matter is ripe for exploration again, so I am delighted to have had the chance to obtain this debate.

This year, the number of complaints received about concerts and events in the royal parks has increased markedly, yet in 12 months' time this nation will be hosting both the Olympic games, when our royal parks will provide a focal point for even more celebrations, and, of course, the diamond jubilee. Meanwhile, the Royal Parks Agency's budget is diminishing drastically, heaping on the pressure for further commercialisation. In addition, I believe that plans are afoot to devolve some of the responsibility for the parks to the Mayor of London.

The royal parks are owned by Her Majesty the Queen in right of the Crown and were, in the main, royal hunting grounds and pleasure gardens before being opened to everyone for public enjoyment. In 1851, at the time of the great exhibition, the general power of management for the parks was granted to the commissioner of works and now resides under the jurisdiction of the Secretary of State for Culture, Olympics, Media and Sport. In that regard, the parks remain—rightly, in my view—a national treasure, a gift from the sovereign to the country as a whole. That is despite the eight sites—Bushy park, Green park, Greenwich park, Hyde park, Kensington gardens, Regent's park, Richmond park and St James's park—all being within Greater London.

Those 5,000 acres of parkland are important historical landscapes aside from their role in the living fabric of the city that I represent and love so much. Regent's park is the largest wetland area in central London. Richmond park is the capital's largest national nature reserve and a designated site of special scientific interest. The parks have historically provided a national focal point and, rightly, will do so again next year, when the Olympic circus rolls into town. No doubt, that event will swell in number the 37 million people who already visit the royal parks every year.

Hyde park, Kensington gardens, St James's park and Green park lie within the bounds of my constituency and have an especial place in the lives of all my central London constituents. Naturally, few city-centre residents have gardens of their own. Our green spaces provide an invaluable escape—an oasis of calm—amid the urban jungle, but there has been increasing concern that the parks are adding to the stresses of life in the capital.

As my hon. Friend the Minister knows, the Royal Parks Agency relies on three main sources of income: Government grant, self-generated income and grants from other sources. During the past 15 years, the grants from the Government—the first part of that three-legged horse—have been reduced, thus necessitating an increase in self-generated income, the second category. The proportion of such income has doubled in just five years to £14.4 million and in the past year funded 46% of the total expenditure for the royal parks.

Nicholas Soames (Mid Sussex) (Con): May I say how much I agree with the powerful point that my hon. Friend is putting over about the London parks? May I particularly ask him to elaborate on the complaints that he receives about the uses of the royal parks? Many such complaints are about noise and inconvenience, but there is a terrible cost to the fabric of the royal parks and there is a limit to how much those priceless, utterly unique places can physically take. I applaud my hon. Friend for raising this issue with our hon. Friend the Minister ahead of the Olympics and the diamond jubilee, when we will all want the royal parks to look their absolute best.

Mr Field: I thank my right hon. Friend for his comments. He is absolutely right. I will elaborate later on issues to do with the fabric of the royal parks. Inevitably, there are concerns about noise, but he is precisely correct to identify that issue. The commercialisation is often concertinaed over a relatively short period. There have been representations not just from me but, more importantly, from all the amenity societies locally to ensure that that concertina is confined to roughly two or three months every summer. However, as my right hon. Friend rightly points out, some of the fabric is ruined for the other nine months of the year. That has to be stopped as far as possible.

The reduction in the burden on the taxpayer is welcome—clearly, these are times of great austerity and the amount of grant that comes from central Government in all areas is under close scrutiny—but tensions have arisen between the need to maintain the parks as sanctuaries of peace and the requirement to adopt a more commercial approach to ensure self-sufficiency. That tension has never been more evident than in the hosting of events in the parks.

One of the greatest money-spinners for the Royal Parks Agency has been, understandably, concerts in Hyde park—the largest of the central London parks. The Royal Parks Agency has for some years held a licence from Westminster city council for the sale of alcohol and regulated entertainment, permitting it a maximum of 13 major events per annum in Hyde park. However, in my 10 years as the local MP, the file of correspondence expressing concern at the commercialisation of Hyde park has bulged further every concert season. Indeed, the number of complaints from my constituents had swelled to such an extent that I was compelled to initiate a parliamentary debate seven years ago to express their concerns.

At that time, I advised the then Culture Minister:

> "In recent years, Hyde park has been host...to noisy rock concerts and large-scale, commercially sponsored events...Such activities have led to destruction of the fabric of the park, from which it will take many years to recover...After last year's Bon Jovi concert, my postbag was full of letters from local residents who could not believe how loud the noise was."

Obviously, there are not too many Bon Jovi fans in Marylebone and Mayfair. I continued:

"That applied not only to roads in the immediate vicinity, but to roads in Marylebone and Mayfair. Nor am I talking about one afternoon or evening of mayhem. The erecting and dismantling of a concert site means literally a week of noise and upset to the park's tranquillity, including juggernauts moving along roads that were not built for such heavy vehicles."

I said that the previous year's Red Bull Flugtag was

"the most destructive event the park has ever witnessed. Trees were badly and permanently damaged, and there was a lot of graffiti in the area."—[*Official Report*, 25 May 2004; Vol. 421, c. 379-80WH.]

Unfortunately, those problems have remained. There was some diminution of them in the years immediately afterwards, but this year they have worsened. One constituent of mine, Mr Paul Appleyard, a musician and musical arranger, wrote to me at the beginning of this month to report that at 10 o'clock at night, the sound was, in his view,

"louder than a building site whose code of practice requires a cessation of activity after 7pm".

The bass of this infernal racket was such that the glassware in his flat was being rattled. He went on to say that

"this is not the time to live with closed windows"—

this was in the middle of the brief summer that we had some weeks ago in London at least—

"and even so, the noise penetrates the double glazing. I always thought that parks were supposed to be an amenity for all, not an emitter of noise pollution".

When I raised similar concerns last year with this Minister, who is responsible for tourism and heritage, he admitted that my constituent was

"not alone in his objections".

However, the Minister went on to say that the Royal Parks Agency is subject to the Licensing Act 2003, with the number of events that it can hold being strictly limited, and, furthermore, that

"the Agency runs a hotline for local residents during the events season, and concerts are monitored by independent noise consultants as well as a team from the environmental health unit at Westminster City Council".

This year, there have been nine concerts to date, with two more to follow in September. No doubt, the much-maligned Winter Wonderland will also be returning as the Christmas season begins. On average, there are 53,000 people at such events, although the number can be as high as 65,000 at major concerts. Westminster city council has noted an increase in the number of calls to its noise team in each of the past three years, from 56 in 2009, to 70 in 2010 and to 85 so far this year. This season, the extent of the area affected by noise has also grown, with complaints coming from as far north as St John's Wood and as far east as Harley street. That is just for events in Hyde park.

Officers monitoring noise levels have noted that although preliminary findings suggest that Hyde park has been broadly compliant with the conditions of its licence, there appears to be some evidence of a public nuisance as a result of concerts. Westminster city council is considering that evidence extremely carefully to see whether the licence for future years should be reviewed or tightened up to improve controls.

As my right hon. Friend pointed out in his intervention, noise is not the only problem. There is huge traffic disruption, and further problems are caused by the additional number of people using the tube and our buses and pavements. Unsurprisingly, that influx of humanity causes great waste, and the cost burden of dealing with it falls largely on Westminster city council. In the relatively recent Live Aid example, the council committed high core resources to managing the event, but it estimates that there were significant additional financial costs over those 10 days. As a result, the council's cabinet member for city management, Councillor Ed Argar, wrote to the Royal Parks Agency to highlight the burden to the local taxpayer.

Similar concerns have been expressed by the council's planning department. Under the regulations, event operators are permitted 28 days per annum for temporary events without having to apply for planning consent. The council fears that that provision is regularly breached. As a result, residents are not consulted under the planning process about events being held in the parks.

The council has also been approached about the potential erection of advertisement hoardings in the parks. Although it accepts the need to generate income in the current economic climate, it has concerns about the potential impact of over-commercialisation. Has the Minister's Department noted an increase in the number of complaints? Has he had recent discussions on such matters with representatives of the Royal Parks Agency, and does he plan to review current procedures to mitigate the impact of concerts on residents and the fabric of the parks?

For several reasons, this is an opportune moment to discuss these issues. First, the budgetary pressures on the Royal Parks Agency are now huge. The headline cut in grant-aid for the Royal Parks Agency under the comprehensive spending review is some 23%. However, combined with a 10% cut this year to give a 36% cut over five years, the equivalent loss to the agency is about £5.5 million a year. The agency's capital budget will be cut, with immediate effect, by about 45%. That is an extremely serious reduction in resources for our parks, and the agency will doubtless be looking for ways to make up that loss. Further commercialisation is clearly one option. Chris Green of the Department for Culture, Media and Sport's public engagement and recognition unit has already advised that the agency will be developing commercial income streams at a time of reduced Government grant.

Secondly, we are fast approaching the London Olympics. I have no doubt that the parks will be called upon to host all manner of events. I received a letter this morning from Carolyn Dicker of the residents association of St George's Fields. She is particularly concerned about the impact that proposed Olympic events in Hyde park will have on her community on the Bayswater road, which is only a stone's throw away from the park. It is a worry that what should be a great national celebration should have a considerable negative impact.

I am well served by a number of amenity associations and local residents, who also serve the whole community. They represent the community's interests to the Royal Parks Agency on such matters. One such group, the Knightsbridge Association, has alerted me to its concerns about the extent of the Olympic programme in July and August in central London next year and its impact on the amenities of the royal parks.

[Mr Mark Field]

Live Nation is currently consulting about London Live, when large outdoor screens, free of charge, will be set up in some of the parks. London Live will operate from 28 July to 11 August in Hyde park, with an additional nine concert events and three paid-entry shows. It will be set up on 2 July, and all temporary structures will be removed completely by 24 August. Core hours of operation will be 10 am to 11 pm, but events may begin as early as 7.30 am to accommodate the sporting schedule. It is anticipated that 50,000 people will visit the site at any one time, increasing up to 80,000 for events such as the opening and closing ceremonies.

It is probably appropriate for me to note that no Member from the Greenwich area is here today, but what is happening in Greenwich park is a crying shame for local residents. The park is not in my constituency, but I have visited the area during the last six weeks. Much of the park is already cordoned off; a huge amount of work has been done in advance of the equestrian events. That will have a massive impact on the amenity for local people, who live in a congested part of south-east London. However, it will have an impact not only in July and August 2012; it has already begun, and it will last for two full summers.

Nicholas Soames: I am lucky enough to have tickets to the wonderful three-day event in Greenwich, with its astonishingly beautiful backdrop, but there was a realistic, sensible and, in my view, much wiser campaign to hold it in Badminton or Windsor, or somewhere where it would have been far out of the way and much less inconvenient for those who live nearby.

Mr Field: I entirely agree with my right hon. Friend. I hope that he also has tickets for the beach volleyball and perhaps other events in which he can partake in the coming year.

Noting that the monitoring of crowds and crowd dispersal was completely inadequate during recent concerts, the Knightsbridge Association is anxious for improvements to be made in time for the Olympics. In previous years, concerts were handled by a minimum of some 200 police officers, but the police were not involved this year. Leaving that to the stewards and marshals employed by the concert organisers resulted in chaos.

The association suggests much better directional signs for tube stations and bus routes. In fairness, I give some credit for that not only to the Government but to Westminster city council. The council has done a tremendous job in improving the amount of signage. Those, like me, who walk in central London will see the huge benefits of improved signage, and I hope that it will continue. I suspect that that might not all be done quickly enough for the Olympics, as it is an ongoing programme, but it is greatly to the credit of the Minister's Department. It has also been noted that the closure of Park lane causes gridlock for several hours at a time, and I believe that its closure during the Olympics is unacceptable. I hope that the Minister will try to ensure that that eventuality is avoided. People in Knightsbridge and beyond naturally share the council's concerns about litter, noise and damage to the park's fabric.

Thirdly, there have been concerted moves in the past couple of years to bring the Royal Parks Agency under the jurisdiction of the Greater London authority. The Minister will know that we have been in constant correspondence on the matter over the past year. It is argued that giving that additional responsibility to the Mayor of London would make the Royal Parks Agency more accountable and would fit well with the Mayor's existing responsibilities for tourism and the environment. However, I have expressed serious concerns about the safeguards that would need to be put in place if such a move were to go ahead.

It was originally thought that the transfer of power would be legislated for under the Localism Bill. I made clear to the Minister personally my deep concern that that was inappropriate legislation for making such a change. As I suggested earlier, the royal parks are a national asset and must be treated as such. Westminster city council shared my concerns, but for different reasons.

The proposals would have provided the Mayor with extensive powers, without offering any real influence to the boroughs in which the parks are located. The council regarded that as a lost opportunity, given the risk of not securing greater democratic influence over the management of the parks in future. The boroughs already manage a number of matters in connection with the parks, including planning consent, noise and licensing. They contend that it makes sense for councils to be involved more closely, not least as they have experience of balancing the varied needs of residents, visitors and businesses.

I am grateful to the Minister for the fact that the concerns that I expressed have been taken on board—the provisions are no longer in the Localism Bill—but I remain to be convinced that responsibility should be transferred to the Mayor. I appreciate his press release yesterday; it is something of a halfway house, but I hope that it will keep most people relatively happy. Nevertheless, I want to put those concerns on the record. I accept that the transfer will occur only if a number of safeguards are firmly in place; it is unlikely to be formalised legislatively. I therefore wish for the Minister's reassurance on two points.

First, I am concerned that any Mayor, particularly one in the mould of Ken Livingstone, who was Mayor for the eight years before 2008, might be tempted to use the parks to promote populist causes to the long-term detriment of their fabric. Mayors might also view the parks as an expandable source of income, leading to yet more commercialisation. I should therefore like to see explicit safeguards to limit the expansion of the existing commercial events programme, to preclude any Mayor running a wide variety of free events in the parks and to prevent the Mayor from granting permission to other groups to host their own events and festivals in the parks. The royal parks are for everyone—residents, workers, visitors and tourists alike—and should not be annexed on a regular basis for other causes.

Secondly, if the devolvement of such a power comes to pass, I believe that active local amenity societies should be given a place on the board. For Hyde park, that applies to the Friends of Hyde Park and Kensington Gardens and to similar high-profile groups near other parks. Constituents of mine who live on the boundaries of the royal parks are most affected by their development. I believe that residents and those involved in the voluntary upkeep of our parks must be given a voice beyond that provided by the Mayor in his capacity as an elected, accountable representative for all Londoners.

As someone who has served on a local authority—I was a councillor for the royal borough of Kensington and Chelsea for eight years and vice-chairman of the Holland park committee for some of that time—I know that there is a danger in assuming that busy local councillors can be given another responsibility. A councillor might have a great passion for a park, but that does not provide us with the democratic safeguard that we need. Such powers need to be put in place within resident associations and amenity societies.

Jonathan Lord (Woking) (Con): My hon. Friend spoke eloquently about who should be in charge of the royal parks, but if I were to press him would he not say that the councils of Westminster and the royal borough of Kensington and Chelsea have conducted their oversight role extremely well over many years? They have not been nimby and just looked after the interests of residents but have realised that the parks are a national resource. Does my hon. Friend not think—perhaps the Minister could also answer this in his remarks—that it would be best for the parks to remain under parliamentary or national control but with real local oversight, in tune with localism?

Mr Field: I hope that we are moving in that direction. I agree with my hon. Friend who was formerly the deputy leader of Westminster city council and so has more than a passing interest in these matters. Managing the royal parks must involve balancing the range of needs to which he refers. He is absolutely right to say that the local authority in Westminster has done an extremely good job in trying to bring that balance into play. I have a great deal of sympathy for the Royal Parks Agency, as it tries to keep that equilibrium in place in the face of some very difficult economic circumstances, which will only get more difficult in the years ahead.

The fact is that our parks are adored, which is a testament to the great work that the agency does. I seek in no way to undermine that work in this debate. The events and concerts that they host are enjoyed by thousands, including many of my constituents, and have a tradition that goes back decades. Nevertheless, a key ingredient of the agency's success in the future will be keeping genuinely concerned local people on board. In that respect, I deem it vital that the ongoing issues of noise, litter and disruption are reviewed again and dealt with before the anger swells.

The impact on my constituency in terms of cost to the local taxpayer as well as the diminution of the quality of life cannot be ignored. Similarly, it would not be right if plans to hand over power of the parks to the Mayor were to go ahead without putting in place explicit safeguards to involve local residents and to prevent the parks being taken yet further down the path of a commercial free-for-all. The royal parks are a tremendous gift to us all. The softest voices supporting this priceless asset must not be drowned out in the bustle for reform.

4.22 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): It is a pleasure to see you in the Chair, looking after us this afternoon, Mr Betts. I congratulate my hon. Friend the Member for Cities of London and Westminster (Mr Field) on making some tremendously important points. He has been assiduous in pursuing them with me during the past year, and it has been tremendously helpful that he has done so, because he has been a useful sounding board for some of the ideas that have been under discussion. I hope that he is content with our direction of travel. I will endeavour to respond to some of the questions that he asked in his speech.

Let me start by marking one really important point of principle, which my hon. Friend mentioned and with which I thoroughly agree. He repeatedly used the word "balance". Although it is a difficult task, it is essential that we maintain a balance in considering how we deal with the royal parks. He rightly pointed out that parks are a priceless and hugely appreciated national asset. They are also used as local parks as well. He gave numerous examples of local residents' concerns about parks being used in ways that may be appreciated across the wider London area and the south-east, but that might impact negatively on local residents' use of the parks. There is an inevitable tension between that national role and local accountability. Almost certainly, it has always been thus ever since the royal parks were set up in the 1850s.

My hon. Friend also mentioned the need to balance the importance of peace, tranquillity and quiet enjoyment with the concerns about commercialisation. Perhaps one of the most commercial events that the parks have ever hosted was the Great Exhibition and that was a very long time ago. I suspect that these points are rightly raised periodically because the duty of preserving the right balance will never go away. It is an inherent tension that must be managed according to the needs of national users, local residents and society, as the country changes. People might be willing to accept one kind of use now that they might not have regarded as acceptable 30 years ago. Indeed, if we were to wind forward 30 years, that equation might well rebalance itself. There is a need for constant vigilance and recalibration. We must remain sensitive to the competing needs in the future.

I can reassure my hon. Friend that we are hugely committed to ensuring that the ceremonial and royal character of the parks is maintained. They are not just municipal parks. There is something different about these parks both in their history and in how they are managed now, and it would be a crying shame if we were to put that at risk or to lose that at any point in future.

I am delighted to confirm to my hon. Friend—it is extraordinary that this has not been the case for ever throughout the royal parks' existence—that in future there will be a representative from the royal household on the newly appointed board for the royal parks. I find it extraordinary that something with such immense royal connotations and a vital, ongoing ceremonial role did not have any kind of official representation from the royal household. It is entirely appropriate that it should.

I understand my hon. Friend's concerns about the noise and the rest from some of the events. He mentioned some of the different concerts that have taken place. I can confirm that a number of items have created a few problems this year. The biggest number of complaints came from two different concerts over two nights. On 1 July, we had the Black Eyed Peas, and on 2 July, we had the Chemical Brothers, both of which excited a fair

[John Penrose]

number of complaints. My hon. Friend mentioned that not many Bon Jovi fans live in the area, and fans of the other two bands might be relatively few and far between there as well.

Mr Field: May I just put it on record that I am a keen fan of the Chemical Brothers? However, I prefer listening to them in my living room, rather than with many tens of thousands of my constituents at the same time.

John Penrose: I take my hon. Friend's point. He also mentioned the importance of noise during the set-up and take-down of event stands and so forth. It is entirely reasonable that guidelines equivalent to those used on a construction site should be in place. I will, if he will allow me, ask the chief executive of the royal parks to write to him, detailing how they approach these issues, so that he can see the kind of safeguards that are in place.

Nicholas Soames: I accept exactly the point that my hon. Friend the Minister makes about noise, but does he accept that the grass and physical fabric of the parks are put under tremendous strain? The parks already have a substantial backlog of unfunded repairs, and this sort of use can only make matters worse.

John Penrose: I am conscious of the time, but I accept that there is an inevitable issue of wear and tear on the parks' fabric. Again, we have to strike a balance between ensuring that the parks are available for people to use and enjoy and that the effects of that wear and tear are dealt with properly.

One of the reasons why we have introduced the new board is to ensure proper and ongoing inbuilt local representation. One of the board's first tasks will be to create systems and processes to ensure that local community groups, amenity groups and societies can have their voice heard as well as the local council. Clearly, it would be wrong to lock in any amenity group or society because, inevitably, such groups wax and wane and we need to be flexible. Indeed, the new board will have an explicit duty to be flexible. Equally, the board will be required to deliver according to terms of reference, which we will publish to ensure that everyone is clear about them.

Those terms of reference will include the kind of safeguards that will ensure that the royal character of the parks is maintained, that ceremonial events are not compromised and that inappropriate events that would contradict the royal character are not held. I hope that my hon. Friend will see an increase in local representation. He can rest assured that safeguards to protect the ongoing future health of the parks will be put in place, so that these unique assets can be enjoyed for many generations to come.

GM Food Technologies

4.30 pm

George Freeman (Mid Norfolk) (Con): Thank you for calling me to speak, Mr Betts. It is a great pleasure to serve under your chairmanship this afternoon and to have this opportunity to talk about a subject that is of increasing importance, both to the globe and to this country, and that merits the very highest attention in this Parliament. It is the subject of our food science, agricultural research and in particular the potential of genetically modified food and other genetic and breeding technologies to support this very important sector. If I have time this afternoon, I will say why I believe it is such an important subject and why we should debate it now and in this Parliament.

However, I should start by declaring something of an interest. I come from a farming and agricultural background. I never actually worked in agriculture; that fate narrowly escaped me. Before coming to Parliament, I had a 15-year career in biomedical research in health care. Through that work, I have some experience of the genetic sciences and their potential to deliver good, albeit in the health care sector rather than in the food sector. I also have some experience of the very difficult ethical, moral and scientific issues that new technologies often throw up, and of the importance of Parliament being able to debate those issues properly, clearly, openly and well, and to build trust in an appropriate regulatory framework in order to build public support.

I declare an interest as someone who has worked in this sector and I draw Members' attention to one or two shareholdings in one or two very small and unprofitable companies. I also declare something of a constituency interest. My constituency of Mid Norfolk is rural. That is not to say that everyone there works in agriculture, but it has a strong rural background and a strong agricultural heritage. We sit between Cambridge and Norwich. At the moment, my constituency is something of a rural backwater, located between those two phenomenal centres of science and technology. What is very striking to me as the local MP in an area where average annual incomes are £17,000, which is well below the national average, is the lack of public discussion about the potential of technologies that are developed in our area, particularly in Norwich at the Norwich Research Park. When I talk to people on the doorsteps about some of these technologies and their potential to do good around the world and in the UK, I am always struck by how surprised people are that we are not debating them and talking about them more openly.

I have also served as a non-executive director of Elsoms Seeds, a small, family-owned seed business, which does not actually have any involvement in GM but has a long and proud history of pioneering seed development in the agricultural sector. For a while, I served as an adviser to the Norwich Research Park. I mention that because, as many of my expert colleagues in the room know, it is something of a centre in UK food science, with the Institute of Food Research and the John Innes Centre next to the university of East Anglia and the Norfolk and Norwich University hospital, where work is continuing on a model gut. There is also some very pioneering work on nutrition and food science going on at the research park. Norwich is something of

a centre of excellence globally in this sector and I am passionate about its potential to do good here in the UK, including in Norfolk, and across the world.

Why do I think that this technology has so much potential? The answer lies in a very important document, which I commend to all Members present if they have not already looked at it. It is the foresight report on food, written by the Government's chief scientific adviser, Sir John Beddington, last year, and it was published—with the most beautiful timing—as we all arrived here in this new Parliament. It issues a clarion call to us all, including to this Parliament, about a global challenge. World population is set to rise to 9 billion during our lifetime, and in that time as a global society we have to produce twice as much food from half as much land with half the inputs, if we are to develop anything like a sustainable agricultural sector globally. I repeat—we have to produce twice as much food from half as much land with half as much pesticide, water and energy. That is a major challenge; it is one that Sir John and his committee have rightly received huge credit for addressing; and it is one that this Parliament needs to take very seriously.

Sir John in that report and many others since its publication have highlighted the importance of our using every tool at our disposal. I am not for a minute suggesting that GM is the magic bullet, or the only technology or even the most important technology to consider. However, as Sir John and his committee highlighted, it is one vital technology in the toolkit. And it seems to me that that global challenge of international development, of helping to lift people around the world out of poverty and of helping other countries around the world to go through a process of agricultural and industrial revolution—which took us nearly 200 years to go through—more quickly and more sustainably is a noble and important calling which we in Europe and the rest of the advanced western world, particularly here in Britain, should be drawn to.

We should be drawn to it not least because as we now find ourselves to be a small, wise, old, poor, public sector-dominated and debt-ridden economy that is looking for ways to drive growth around the world—not just growth for its own sake but growth that we can be proud of, that is fulfilling and that gives this country a sense of its self and its role in a world that is now dominated by bigger and faster-growing countries—it seems to me that drawing on our agricultural heritage and our science base in the life sciences, whether in medicine, food science or clean tech, and exporting that expertise and knowledge around the world to help the next generation of nations is something that we could all be proud of. It would be a part of a growth recovery that would have social benefits as well as economic benefits.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does my hon. Friend share my view that this important debate is somewhat hampered by extremists who describe some of the practices to which he refers as a sort of "Frankenstein food", generating fear and concern that freeze people into inaction when in fact we should be inspiring them into action?

George Freeman: I could not agree with my hon. Friend more. I mentioned my own experience in the biomedical sector, where I have come across that sort of extreme anti-science movement. I hope that in my moderate tones I have communicated the fact that I am not for one moment an extremist on either side. But I could not agree with my hon. Friend more.

Extremism is not helpful in the debate on this subject. In my medical experience, I have seen the extremism of the anti-animal experimentation groups. Nobody is in favour of animal experiments. However, there is an irony that I will share with everyone here today. I am setting up a company to develop predictive toxicology software, to reduce the need for animal experiments. In order to do that, one needs to consult with the people who know most about the animal experiments, to reduce the necessity of those experiments. In so doing, we triggered the attention of the animal extremists, who targeted the company. Of course, of the six people on the board, there was one female, who was the company secretary. Who do people think the extremists targeted? The lone female in her cottage at night. The cowardice—moral, intellectual and physical—of the extremists shocked me then and in this debate today I want to try to initiate an open debate and to invite a proper and open discussion of the issues. As I say, I could not agree more with my hon. Friend.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this matter to Westminster Hall, because the debate about it is very important and the matter needs to be aired, debated and talked about. I agree with the hon. Gentleman that GM food technology gives an opportunity for cheaper food and better usage of the land, to try to meet the demand for food that exists throughout the world. Is he aware of the key and critical role that some universities are playing with private partners in the development of GM technology? One of those universities in particular is Queen's university in Belfast. I have visited the university and I am aware of the good work that it does. Does he accept that that key partnership is important to the development of GM food technologies?

George Freeman: The hon. Gentleman makes an excellent point. Yes, a number of our universities play a key role in GM development and I absolutely agree with him that Queen's university in Belfast is in the vanguard of that, along with the universities of Liverpool, Reading, London, Norwich and Aberystwyth, and one or two other universities in the UK. Moreover, GM is potentially an important part of helping our universities to generate novelty and to put themselves at the front edge of this important area of science. The foresight report frames for us the challenge and the opportunity for the UK. In my own area of Norfolk, when one openly discusses the benefits of the technology for local agriculture, people are interested, and there is an appetite out there to hear more about it.

It might be useful to share one or two facts to help frame the debate. It is worth remembering that commercial GM crops have been grown and eaten since 1994. In 2010, the hectarage of GM crops worldwide was 148 million hectares across 29 countries, 48% of which was in developing countries. Some 15 million farmers, 90% of whom are small and resource-poor, are already actively involved in growing GM crops. The argument is often put that the technology is untried and untested, but I suggest that that is a substantial body of evidence, with

[George Freeman]

proper scientific and rigorous monitoring, and I do not think that anyone is aware of any serious problems that have arisen as a result of the adoption of the technology.

It is also worth acknowledging the extent to which it is the developing world that is driving the adoption. On top crops by area, the percentage of global crop that is now GM is 77% of soybean, 26% of maize, 49% of cotton and 21% of canola. The interesting thing that comes from that is that GM crops have a potential not just in food but in fuel and fibre. One of the problems with the debate in the UK is that the extremists take us straight to the hardest point of all, which is the compulsory—that is often the implication—force-feeding of people here with GM food. To my knowledge, no one is proposing that; I certainly am not. I do propose, however, that we should debate whether this country has a role to play in the application of the technology in fuel and fibre, and certainly in food production around the world. That should be non-controversial.

Going further, one could say, "Should there not be choice in the UK, particularly in the health care and the nutraceuticals and functional foods areas?" I think it would be perfectly appropriate—and the idea would enjoy public support—to say, "The consumer should have choice, but what is wrong with going into a supermarket and having on one side the organic carrots grown locally, here in Norfolk, over there the carrots grown more intensively at a lower cost, and over here the rather more expensive cholesterol-reducing carrots that have been grown and bred specifically for a group with particular dietary, nutritional and health care needs?"

Glyn Davies (Montgomeryshire) (Con): I am grateful to my hon. Friend for allowing me to intervene, particularly as I missed the first five minutes of his speech because I went to the wrong Chamber. I come from a part of Britain that considers itself to be GM-free. Does my hon. Friend agree that unless we grasp the issue of GM in this country we are in real danger of becoming seriously globally uncompetitive and will eventually lose a huge number of jobs and a huge amount of business, along with the ability to influence the debate across the world?

George Freeman: I could not agree more. My hon. Friend makes an excellent point, and I was just about to turn to the extent of the global nature of the matter.

As chair of the all-party group on science and technology in agriculture, I recently had the great privilege of welcoming two people from around the world who are involved in biotechnology: a gentleman from Brazil who specialises in soya, and a gentleman from Uganda who specialises in bananas. No sooner had I given them the warmest of parliamentary welcomes—I confess, possibly with a sense of welcoming people from the Commonwealth to the mother of all Parliaments—than I ate my words, because they had not come to find out what we thought about the sector but to share how much progress and investment they were making, what extraordinary innovations they were driving, the local benefits in terms of food production and productivity, and the health benefits in their countries. In response to my hon. Friend's point, that is happening around the world in any case, and the question for Britain and Europe is whether we want to participate and bring our expertise, insight and science to bear, or sit on our hands and become irrelevant, missing out on all the opportunities that we have touched on.

It is worth looking at some of the global data. I was very struck when I looked at which countries are the biggest adopters. One would expect to see the United States of America at the top of the list, but the next 10 are Brazil, Argentina, India, Canada, China, Paraguay, Pakistan, South Africa, Uruguay and Bolivia. The fact is that the technology is being adopted rapidly by some of the fastest-developing second world countries, not because they are threatened by global mega-corporations or because they are under compulsion but because the technology offers extraordinary benefits to their rapidly growing populations, their domestic economies and their ability to develop as nations.

Part of my argument is that the technology is being adopted globally whether we like it or not, and it is bizarre that in this country we are getting into a situation in which it is almost impossible to debate the technology, and in which the European Union appears to be encouraging a national framework that countries can opt into or out of purely on the basis of emotional and political rationales—I will come on to that in a minute. As the eurozone teeters on the brink of bankruptcy, it seems peculiarly bizarre not to be involved in this major area of global growth.

I want to look at some of the things that some of the organisations involved have said. I draw Members' attention to the Food and Drink Federation, which has issued an excellent briefing on the subject. The federation believes that

> "modern biotechnology, including GM, offers enormous potential to improve the quality and quantity of the food supply but the impact of this technology must be objectively assessed through scientific investigation. Robust controls are necessary to protect the consumer and the environment; and consumer education and information are fundamental to public acceptance."

I could not agree more. It goes on to stress the importance of choice:

> "However, we believe that the time has come when serious consideration should be given to reopening a free and unbiased debate about the environmental, safety and consumer benefits of GM. FDF therefore welcomes"

the debate today. It also supports the foresight report's conclusions that we need to produce more from less and with less impact. I am pleased that the report makes a call for the recognition of the role of GM.

Jonathan Lord (Woking) (Con): I am very taken with all my hon. Friend's arguments, but I think it comes back to the key argument of the need for more food. He talked about some of the extremists who have caused problems, and I am drawn to the analogy of the nuclear industry. There were some extremist arguments about nuclear, but the most intelligent of the campaigners came to realise that we needed an energy-secure and carbon-neutral fuel. Surely there is a similar argument, based on scientific evidence, that can engage those who have campaigned against GM, because of the need to feed the world, particularly its poor.

George Freeman: My hon. Friend makes an excellent point, not least because, as with the nuclear debate, people are now beginning to shift positions. George

Monbiot has done so on nuclear, coming around to admitting that it has a very important part to play in the true green mix. Some early opponents of GM are now convinced by the evidence, and say, "After the number of years and the number of crops that have been grown around the world we really need to change our tune." For that reason, it is particularly interesting to look at a briefing from the anti-GM campaign, which this weekend is staging a protest in Norfolk against the blight-resistant potato, about which I will say something in a moment. Interestingly, the briefing states:

"The campaign against GM crops ten years ago was so successful that GM almost completely vanished from our fields and supermarkets, and many people have forgotten the issues associated with the technology. But in many other parts of the world peasant farmers have been desperately fighting its spread"—

not very successfully, we might observe. It continues:

"With the renewed threat of GM on the horizon campaigners need to get together again to show the rest of the country...that we're still here, and we've got an even better case than ever."

In that language, one can hear the lack of rational debate. There is no discussion of the evidence or the latest science or findings. It is an emotional call to arms. I respect people who are concerned about the technology, but rather than ripping up plants, attacking and destroying experiments and hysterically screaming down those who want to discuss the issue, we must engage in an open and rational debate.

The blight-resistant potato is an important example of the potential involved. Many hon. Members will be aware of the groundbreaking work going on at the Norwich Research Park, led by Jonathan Jones and his team. Those who know their potato will know that the average potato crop receives more than 10 sprays of blight treatment chemicals, which are expensive and not terribly nice. That involves tractors, fuel, time and labour. It is high-energy, high-input agriculture. A blight-resistant potato would require none of that, and would have a huge impact on creating the low-input, low-energy agriculture that we all want. Sadly, campaigners will be coming to Norfolk this Saturday to try to stop that experiment. We need more science, we need a more rigorous and open debate and we need proper scientific and evidence-based policy making. I believe that we need political leadership from a generation in Parliament to stand up for this country's potential around the world, educate the public and engage in an open debate.

With that, I will sit down and allow the ministerial spokesman to share his wisdom with us. I thank you for this opportunity, Mr Betts.

4.51 pm

Mr Robert Goodwill (Scarborough and Whitby) (Con): I rise as a poor substitute for my right hon. Friend the Minister of State, Department for Environment, Food and Rural Affairs, who is engaged elsewhere in the House, but I have at least some experience in the field as a farmer whose family has been on the same farm for 161 years. I also trained in crop production, so I have some understanding of the issue. Before entering this Parliament, I was in the European Parliament and served on its Committee on the Environment, Public Health and Food Safety. I was involved in the regulation on adventitious contamination of food by genetically modified varieties.

I thank my hon. Friend the Member for Mid Norfolk (George Freeman) for securing the debate. When the House debated biotechnology and food security in January, the Minister of State highlighted the over-generalisation and simplification that often characterise exchanges on the issue. Discussions about GM should focus on arguments based on sound science rather than emotion. Therefore, I am grateful for the opportunity to put on record the Government's position on this important issue.

The coalition Government's policy is measured and balanced, recognising that GM technology presents both risks and benefits. We are clear that human health and environmental protection are our overriding priorities. We will agree to the planting of GM crops, the release of other types of GM organisms or the marketing of GM food or feed products only if a robust risk assessment indicates that it is safe for people and the environment. The UK's independent expert Advisory Committee on Releases to the Environment assesses all GM crop applications on a case-by-case basis, and that process is replicated at EU level by the European Food Safety Authority. That high level of scrutiny makes the EU authorisation regime the most robust in the world.

We recognise, of course, that GM is a sensitive issue, and we are committed to listening to the public's views on the development and use of the technology. We will also ensure that clear labelling rules allow consumers to exercise choice. As my hon. Friend the Member for Mid Norfolk noted in his local supermarket, the law already states that if the GM content of any product exceeds 0.9%, it must be labelled as genetically modified.

The Government are in favour of UK farmers having access to developments in GM and support their right to choose whether to adopt them. We also recognise that the economic interests of those who do not want to use GM crops must be appropriately protected. Therefore, we will implement pragmatic and proportionate measures to segregate GM crops from conventional and organic crops if and when they are grown commercially in the UK.

To set GM technology in its wider context, the global population is estimated to increase to 9 billion by 2050. The Food and Agriculture Organisation estimates that global food demand will increase by 70% compared with 2005-2007 levels. That will require a substantial increase in food supply, and we must ensure that that increase is achieved sustainably. As long as GM technology is used safely and responsibly, it could be one of a range of tools for tackling the long-term global challenges of food security, climate change and the need for a sustainable increase in agricultural production.

For our part, the Government recognise that GM has a potentially useful role to play, and everyone concerned about the future of food production needs to take a balanced and evidence-based view. As the foresight report led by Sir John Beddington indicated, we must be prepared to use all available options to ensure that food production keeps pace with demand.

In 2010, more than 15 million farmers in 29 countries cultivated GM crops, covering 10% of the world's arable land, an area of 148 million hectares, or roughly the combined size of France, Spain and Germany. Those numbers are increasing every year. Given the scale of GM cultivation and the rate at which the technology

[Mr Robert Goodwill]

is being taken up, it is vital that the UK has in place robust policies based on sound science and evidence to ensure that the technology is used safely and appropriately.

It is important that all our policies on GM are pragmatic and that regulation is proportionate. That is crucial to encouraging innovation and economic growth in the biotechnology sector and promoting fair market access for safe products. As an example of pragmatism in action, the UK pushed hard for the recent EU agreement to allow a 0.1% tolerance in animal feed imports for GM materials that are not approved by the EU but are going through the authorisation process. That will reduce the risk of whole shipments of perfectly safe grain or soy being turned away and help increase confidence and certainty in the market.

Most existing GM crops have either insect-resistant or herbicide-tolerant traits. Their impact is variable, but generally they have led to increased efficiency and improved returns for farmers. The Department for Environment, Food and Rural Affairs has commissioned a systematic review of the available evidence on the impact of current GM crops, which will be published later this year. The review will be a useful resource for discussions on the future of GM.

In addition, the Government continue to support the development of safe GM crops here in the UK. Last year, DEFRA approved two GM crop research trials. One was on blight-resistant potatoes, as we heard from my hon. Friend the Member for Mid Norfolk, at the Sainsbury laboratory in a constituency neighbouring his. The other, at Leeds university, was on nematode-resistant potatoes. We have also heard about research at Queen's university in Belfast. As somebody who has spent a small fortune on blight sprays and nematicides, I can certainly testify that such crops would be popular among farmers. DEFRA is currently considering an application submitted by Rothamsted Research to trial an aphid-repellent wheat. All those trials form part of wider projects publicly funded by the Biotechnology and Biological Sciences Research Council, showing that the Government are investing in fundamental science in the area and making use of and supporting the UK's excellent plant science base.

It is no secret that there are problems reaching decisions at European level on the authorisation of GM crops. Only one crop has been approved for commercial cultivation in the last 13 years. To address that difficulty, the European Commission has proposed that member states should be allowed to ban GM crops nationally for non-safety reasons. Although the Government want to improve the current EU situation, we do not think that the Commission's proposal is the right way forward. It would undermine the EU single market and the principle that regulatory decisions should be grounded in a science-based safety assessment. We were also disappointed by the recent vote in the European Parliament to take the process even further.

We will continue to argue in Brussels for the authorisation regime to function more effectively. In particular, we want the Commission to make it operate as originally intended by voting on authorisations without unjustified delays. If member states cannot reach collective agreement on proposed GM products, we will push for the Commission to proceed via the agreed rules, which allow EU authorisation to be granted in line with the scientific evidence and robust safety opinions provided by the European Food Safety Authority.

I thank my hon. Friend for securing this debate. Media references to Frankenstein foods do not add to the debate; they only frighten people unnecessary. Similarly, we condemn those who seek to destroy trials. Surely those who oppose GM crops should at least see the evidence before forming a decision. I thank my hon. Friend again. He is an advocate for the safe application of science to address the problem of how to feed a growing world population.

Question put and agreed to.

4.59 pm

Sitting adjourned.